

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

**THE TORONTO-DOMINION BANK**

Applicant

and

**1322297 ONTARIO INC.**

Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**APPLICATION RECORD  
(Returnable August 27, 2025)**

August 26, 2025

**MILLER THOMSON LLP**  
Scotia Plaza  
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P.O. Box 1011  
Toronto ON M5H 3S1

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Lawyers for the Applicant

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**SERVICE LIST**

<b>NAME</b>	<b>METHOD OF DELIVERY</b>	<b>ROLE/INTEREST</b>
<b>MILLER THOMSON LLP</b> 40 King Street West, Suite 6600 Toronto, ON M5H 3S1  <b>Craig Mills</b> <a href="mailto:cmills@millerthomson.com">cmills@millerthomson.com</a> Tel: 416.595.8596  <b>Matthew Cressatti</b> <a href="mailto:mcressatti@millerthomson.com">mcressatti@millerthomson.com</a> Tel: 416.597.4311	Email	Counsel to the Applicants

<p><b>MSI SPERGEL INC.</b> 200 Yorkland Blvd, Suite 1100 Toronto ON M2J 5C1</p> <p><b>Mukul Manchanda</b> <a href="mailto:mmanchanda@spergel.ca">mmanchanda@spergel.ca</a> Tel: 416.498.4315</p>	Email	Receiver
<p><b>PALIARE ROLAND ROSENBERG ROTHSTEIN LLP</b> 35th Floor, 155 Wellington St W Toronto, ON M5V 3H1</p> <p><b>Ken Rosenberg</b> <a href="mailto:ken.rosenberg@paliareroland.com">ken.rosenberg@paliareroland.com</a> Tel: 416.646.4304</p> <p><b>Jeff Larry</b> <a href="mailto:jeff.larry@paliareroland.com">jeff.larry@paliareroland.com</a> Tel: 416.646.4330</p> <p><b>Massimo Starnino</b> <a href="mailto:max.starnino@paliareroland.com">max.starnino@paliareroland.com</a> Tel : 416.646.7431</p>	Email	Counsel for the Debtor
<b>PPSA REGISTRANTS</b>		
<p><b>ROYNAT INC.</b> 5500 North Service Road, Suite 207 Burlington, ON L7L 6W6</p>	Courier	PPSA Registrant
<p><b>DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.</b> 3450 Superior Court, Unit 1 Oakville, ON L6L 0C4</p>	Courier	PPSA Registrant
<b>GOVERNMENTAL AGENCIES</b>		
<p><b>CANADA REVENUE AGENCY</b> c/o Department of Justice Ontario Regional Office 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1</p> <p><a href="mailto:AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca">AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca</a></p>	Email	Governmental Agency

<b>OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA</b> 151 Yonge Street, 4th Floor Toronto, ON M5C 2W7 <a href="mailto:osbservice-bsfservice@ised-isde.gc.ca">osbservice-bsfservice@ised-isde.gc.ca</a>	Email	Governmental Agency
<b>Ministry of Finance (Ontario)</b> Legal Services Branch 777 Bay Street, 11th Floor Toronto, ON M5G 2C8  Email: <a href="mailto:insolvency.unit@ontario.ca">insolvency.unit@ontario.ca</a>	Email	Governmental Agency

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[osbservice-bsfservice@ised-isde.gc.ca](mailto:osbservice-bsfservice@ised-isde.gc.ca); [insolvency.unit@ontario.ca](mailto:insolvency.unit@ontario.ca);

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SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

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Applicant

and

**1322297 ONTARIO INC.**

Respondent

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**I N D E X**

<b>TAB</b>	<b>DOCUMENT</b>
1.	Notice of Application issued August 25, 2025
2.	Redline of draft Notice of Application provided to the Court on August 23, 2025 to the Issued Notice of Application
3.	Affidavit of Kathryn Furfaro, sworn August 26, 2025, 2025
Exhibits	
A	Exhibit A - Corporate profile report of 1322297 Ontario Inc. dated August 25, 2025
B	Exhibit B - Credit Agreement
C	Exhibit C - General Security Agreements dated August 17, 2018
D	Exhibit D - General Security Agreements dated October 31, 2022
E	Exhibit E - Board resolution approving the 2022 GSA
F	Exhibit F – PPSA search for the Debtor dated August 24, 2025
G	Exhibit G - Subordination Agreement
H	Exhibit H - Letter dated February 24, 2025
I	Exhibit I - Demand Letter and Section 244 notice
J	Exhibit J - May 2025 Borrowing Base Certificate
K	Exhibit K - Debtor’s Director Resignation Notices
L	Exhibit L – Receiver’s Consent
4.	Draft Order
5.	Redline of Draft Order to the Commercial List Model Receivership Appointment Order

# TAB 1



Court File No.:

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

B E T W E E N:

**THE TORONTO-DOMINION BANK**

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APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**NOTICE OF APPLICATION**

TO THE RESPONDENT

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

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

- In writing
- In person
- By telephone conference
- By video conference

at the following location:

[zoom link to be provided on case lines]

On August 27, 2025, at 11:00am, before a judge presiding over the Commercial List (*or on a day to be set by the registrar*).

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

-2-

serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

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

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

Date \_\_\_\_\_ Issued by \_\_\_\_\_  
Local Registrar

Address of court office: Superior Court of Justice  
330 University Avenue  
Toronto ON M5G 1R7

TO: 1322297 Ontario Inc.  
1430 Cormorant Road  
Ancaster ON L9G 4V5

## APPLICATION

1. The Applicant, The Toronto-Dominion Bank (the “**Bank**” or “**TD**”), makes application for:

- (a) an Order substantially in the form of the draft order (the “**Appointment Order**”) attached at **Tab “3**” to the Application Record, among other things:
  - (i) abridging the time for service of the Notice of Application and the Application Record herein and dispensing with service on any other person other than those served, if necessary;
  - (ii) appointing msi Spergel Inc. (“**Spergel**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the current and future assets, undertakings, and properties (the “**Property**”) of 1322297 Ontario Inc. (the “**Debtor**”) pursuant to s. 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**”); and
  - (iii) such further and other Relief as to this Honourable Court may deem just.

## THE GROUNDS FOR THE APPLICATION ARE

2. The Debtor is a toy, game and gift distributor headquartered in Ancaster, Ontario. As of August 20, 2025, the Debtor was indebted to the Bank for approximately \$16,015,726 USD and \$2,760,133.23 CAD, exclusive of accruing interest and professional fees (the “**Indebtedness**”).

3. The Bank is the Debtor's senior secured creditor and holds a general security interest over all of the Debtor's personal property.

4. As detailed below, the Bank decided to terminate its relationship with the Debtor in February 2025 due to (a) the Debtor's failure to satisfy its reporting covenants and (b) the Debtor's deteriorating financial circumstances, as detailed by the limited reporting provided to the Bank.

5. The Bank initially required the Debtor to repay the Indebtedness by April 11, 2025, but agreed, in good faith, to extend that date several times, on the basis of the Debtor's representations.

6. The Debtor finally provided a portion of its overdue financial reporting on July 3, 2025. That reporting, as detailed below, showed that the Bank was undercollateralized by over \$12.6 million.

7. The Bank subsequently attempted to negotiate forbearance terms with the Debtor to allow it to refinance the Indebtedness or otherwise resolve the Bank's outstanding concerns. Unfortunately, on Thursday, August 21, 2025, the Debtor advised the Bank that its entire board of directors had resigned with immediate effect.

8. The Debtor does not currently have any directors, and remains in breach of its obligations to the Bank. The Bank has no visibility into the status of payroll, which it understands was due on Friday, August 22, 2025, or statutory priority payables.

9. The Bank urgently requires the appointment of a receiver to ensure that the Debtor's remaining assets be liquidated in an efficient manner for the benefit of all of the Debtor's stakeholders.

### *Credit Agreement*

10. The Debtor's main relationship with the Bank arises from a demand operating facility agreement executed on February 29, 2024 (the "**Credit Agreement**"). As stated above, as of August 20, 2025, the Debtor's Indebtedness was approximately \$16,015,726 USD and \$2,760,133.23 CAD, exclusive of professional fees and accruing interest.

11. The Indebtedness consists of a revolving demand working capital facility (the "**Facility**") to be used for general working capital purposes. The Facility's borrowing limit is determined by a forward-margined borrowing base covenant that sets the limit at the lesser of (1) \$35,000,000 CAD, and (2) the sum of (i) 100% of certain cash deposits, (ii) 90% of certain accounts receivable, (iii) 75% of certain other accounts receivable, and (iv) 50% of certain inventory, all less statutory "priority payables" (the "**Borrowing Base Covenant**").

12. The Credit Agreement includes rigorous reporting requirements, including the requirement to provide monthly listings of accounts payable, accounts receivable, and inventory, and to provide monthly certificates of compliance with the Borrowing Base Covenant ("**Borrowing Base Certificates**").

13. The Facility is a demand credit facility and may be cancelled by the Bank at any time, at its sole discretion, even if the Debtor is in compliance with the Credit Agreement's covenants and conditions.

### *Security*

14. The Debtor executed general security agreement (the "**Security Agreement**") in favour of the Bank as security for its obligations under the Credit Agreement.

15. The Bank is the Debtor's second-ranking secured creditor, subject only to *Personal Property Security Act* R.S.O. 1990 c. P.10 registration for a motor vehicle in favour of De Lage Lander Financial Services Canada Inc.

16. The Security Agreement permits the appointment of a receiver upon default.

17. The Debtor does not own any real property.

***The Debtor is in Default of the Credit Agreement***

18. As stated above, the Credit Agreement includes a number of reporting obligations. Beginning in the fall of 2024 the Debtor began to be in breach of these reporting covenants, including by failing to provide any Borrowing Base Certificates from December 2024 onwards.

19. As a result, the Bank did not have any line of sight into the Debtor's finances or the value of its collateral.

20. Furthermore, the limited reporting that was being provided to the Bank indicated that the Debtor's financial position was deteriorating, with intercompany receivables increasing significantly.

21. As a result of the Debtor's breaches of its reporting covenant, the Bank decided to terminate its relationship with the Debtor and several related entities. On February 24, 2025 the Bank delivered a letter to the Debtor advising that the Bank was not prepared to offer any financial services from and after April 11, 2025 and would require all of the Indebtedness to be paid off as of that date.

22. As the April 11 payout date approached the Debtor advised the Bank that it was in the process of refinancing the Indebtedness with another financial institution, but that more time would be needed. As an act of good faith, the Bank offered to extend the payout date to July 15, 2025 provided that certain terms and conditions were satisfied, including providing the Bank with all overdue reporting, including all overdue Borrowing Base Certificates (which had not been provided since November 2024) by April 25, 2025. This offer was never accepted by the Debtor.

23. As a sign of good faith and an intention to work proactively with the Debtor, the Bank elected to not terminate its financing services on April 11 but to continue to work with the Debtor throughout April and May 2025. The Debtor became generally non-responsive to the Bank, and when it did communicate to the Bank it continued to represent that it was working with another financial institution to refinance the Indebtedness.

24. Unfortunately, by June 2025 the Debtor had not provided the Bank with any concrete indication of a commitment from another institution to refinance the Indebtedness, and the Debtor continued to withhold reporting, including Borrowing Base Certificates, from the Bank.

25. As a result, on June 3, 2025 the Bank delivered a demand for payment and notice of intention to enforce security to the Debtor.

26. The Debtor subsequently agreed to meet with the Bank, where it advised that it had not been working towards a refinancing and that it was off-side the Borrowing Base Covenant. The Debtor also agreed to provide all overdue reporting, including Borrowing Base Certificates.

27. The Debtor finally provided its overdue Borrowing Base Certificates to the Bank on July 3, 2025. The most recent Borrowing Base Certificate, for May 2025, showed that the Debtor's borrowing base shortfall was approximately \$12,667,598.

28. Counsel for the Debtor and the Bank subsequently attempted to negotiate forbearance terms, but were unable to finalize a forbearance agreement.

29. On Thursday, August 21, 2025, the Debtor's lawyers advised the Bank that its entire board of directors had resigned with immediate effect. The Bank understands that the Debtor's payroll was due the following day, Friday August 22, 2025. The Bank does not know whether the Debtor satisfied such payroll payments prior its board resigning.

***Urgent Need for a Receiver***

30. The Bank urgently requires the appointment of a receiver over the Debtor. The Bank is owed over \$16,015,726 USD and \$2,760,133.23 CAD and, per the May Borrowing Base Certificate, is undercollateralized by over \$12.6 million. The Debtor's directors have resigned, leaving it rudderless.

31. The Bank assumes, but has no way to confirm, in the absence of a receiver, that the Debtor's business operations have come to a halt. The Bank has no visibility into the status of the Debtor's statutory deemed trust payments. As a result, the proposed Appointment Order would authorize Spergel, in its capacity as receiver, to make an assignment in bankruptcy on behalf of the Debtor.

32. It is just and convenient in the circumstances to appoint a receiver over the Debtor as doing so would provide stability to the Debtor's wind-down and to ensure that the Debtor's assets are liquidated in an efficient manner for the benefit of all of its stakeholders.

33. Spergel is prepared to act as receiver if so appointed.

***Statutory Regime Relied Upon***

34. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 14.05(2), 16.04, 38, and 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;

35. The provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, including section 243(1);

36. Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and

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

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Application:

- (a) the Affidavit of Kathryn Furfaro, sworn and the exhibits attached thereto;
- (b) the consent of Spergel to act as Receiver; and
- (c) such further and other evidence as counsel may advise and this Honourable Court may permit.

August 25, 2025

**MILLER THOMSON LLP**  
Scotia Plaza  
40 King Street West, Suite 6600  
P.O. Box 1011  
Toronto ON M5H 3S1

**Craig Mills (LSO#:40947B)**  
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Lawyers for the Applicant

THE TORONTO-DOMINION BANK  
Applicant

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1322297 ONTARIO INC.  
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Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding Commenced at  
Toronto

**NOTICE OF APPLICATION**

**MILLER THOMSON LLP**  
Scotia Plaza  
40 King Street West, Suite 6600  
P.O. Box 1011  
Toronto ON M5H 3S1

Craig Mills (LSO#: 40947B)  
cmills@millerthomson.com  
Tel: 416-595-8596

Matthew Cressatti (LSO#: 77944T)  
mcressatti@millerthomson.com  
Tel: 416.597.4311

Lawyers for the Applicant

# TAB 2

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

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

- In writing
- In person
- By telephone conference
- By video conference

at the following location:

~~[location]~~

~~(Courthouse address or telephone conference or video conference details, such as a dial-in number, access code, video link, etc. if applicable)~~

~~on [day, date]~~

~~[zoom link to be provided on case lines]~~

On August 27, 2025, at ~~[time]~~11:00am, before a judge presiding over the Commercial List (*or on a day to be set by the registrar*).

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

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Date \_\_\_\_\_ Issued by \_\_\_\_\_  
Local Registrar

Address of court office: Superior Court of Justice  
330 University Avenue  
Toronto ON M5G 1R7

TO: 1322297 Ontario Inc.  
1430 Cormorant Road  
Ancaster ON L9G 4V5

## APPLICATION

1. The Applicant, The Toronto-Dominion Bank (the “**Bank**” or “**TD**”), makes application for:

(a) an Order substantially in the form of the draft order (the “**Appointment Order**”) attached at **Tab “3”** to the Application Record, among other things:

(i) abridging the time for service of the Notice of Application and the Application Record herein and dispensing with service on any other person other than those served, if necessary;

(ii) appointing msi Spergel Inc. (“**Spergel**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the current and future assets, undertakings, and properties (the “**Property**”) of 1322297 Ontario Inc. (the “**Debtor**”) pursuant to s. 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**”); and

(iii) such further and other Relief as to this Honourable Court may deem just.

## THE GROUNDS FOR THE APPLICATION ARE

2. The Debtor is a toy, game and gift ~~manufacturer~~distributor headquartered in Ancaster, Ontario. As of August 20, 2025, the Debtor was indebted to the Bank for approximately \$16,015,726 USD and \$2,760,133.23 CAD, exclusive of accruing interest and professional fees (the “**Indebtedness**”).

3. The Bank is the Debtor's senior secured creditor and holds a general security interest over all of the Debtor's personal property.

4. As detailed below, the Bank decided to terminate its relationship with the Debtor in February 2025 due to (a) the Debtor's failure to satisfy its reporting covenants and (b) the Debtor's deteriorating financial circumstances, as detailed by the limited reporting provided to the Bank.

5. The Bank initially required the Debtor to repay the Indebtedness by April 11, 2025, but agreed, in good faith, to extend that date several times, on the basis of the Debtor's representations.

6. The Debtor finally provided [a portion of](#) its overdue financial reporting on July 3, 2025. That reporting, as detailed below, showed that the Bank was undercollateralized by over \$12.6 million.

7. The Bank subsequently attempted to negotiate forbearance terms with the Debtor to allow it to refinance the Indebtedness [or otherwise resolve the Bank's outstanding concerns](#). Unfortunately, on Thursday, August 21, 2025, the Debtor advised the Bank that its entire board of directors had resigned with immediate effect.

8. The Debtor does not currently have any directors, and remains in breach of its obligations to the Bank. The Bank has no visibility into the status of payroll, which it understands was due on Friday, August 22, 2025, or statutory priority payables.

9. The Bank urgently requires the appointment of a receiver to ensure that the Debtor's remaining assets be liquidated in an efficient manner for the benefit of all of the Debtor's stakeholders.

### ***Credit Agreement***

10. The Debtor's main relationship with the Bank arises from a demand operating facility agreement executed on February 29, 2024 (the "**Credit Agreement**"). As stated above, as of August 20, 2025, the Debtor's Indebtedness was approximately \$16,015,726 USD and \$2,760,133.23 CAD, exclusive of professional fees and accruing interest.

11. The Indebtedness consists of a revolving demand working capital facility (the "**Facility**") to be used for general working capital purposes. The Facility's borrowing limit is determined by a forward-margined borrowing base covenant that sets the limit at the lesser of (1) \$35,000,000 CAD, and (2) the sum of (i) 100% of certain cash deposits, (ii) 90% of certain accounts receivable, (iii) 75% of certain other accounts receivable, and (iv) 50% of certain inventory, all less statutory "priority payables" (the "**Borrowing Base Covenant**").

12. The Credit Agreement includes rigorous reporting requirements, including the requirement to provide monthly listings of accounts payable, accounts receivable, and inventory, and to provide monthly certificates of compliance with the Borrowing Base Covenant ("**Borrowing Base Certificates**").

13. The Facility is a demand credit facility and may be cancelled by the Bank at any time, at its sole discretion, even if the Debtor is in compliance with the Credit Agreement's covenants and conditions.

### ***Security***

14. The Debtor executed general security agreement (the “**Security Agreement**”) in favour of the Bank as security for its obligations under the Credit Agreement.
15. The Bank is the Debtor’s second-ranking secured creditor, subject only to *Personal Property Security Act* R.S.O. 1990 c. P.10 registration for a motor vehicle in favour of De Lage Lander Financial Services Canada Inc.
16. The Security Agreement permits the appointment of a receiver upon default.
17. The Debtor does not own any real property.

### ***The Debtor is in Default of the Credit Agreement***

18. As stated above, the Credit Agreement includes a number of reporting obligations. Beginning in the fall of 2024 the Debtor began to be in breach of these reporting covenants, including by failing to provide any Borrowing Base Certificates from December 2024 onwards.
19. As a result, the Bank did not have any line of sight into the Debtor’s finances or the value of its collateral.
20. Furthermore, the limited reporting that was being provided to the Bank indicated that the Debtor’s financial position was deteriorating, with intercompany receivables increasing significantly.
21. As a result of the Debtor’s breaches of its reporting covenant, the Bank decided to terminate its relationship with the Debtor and several related entities. On February 24, 2025 the

Bank delivered a letter to the Debtor advising that the Bank was not prepared to offer any financial services from and after April 11, 2025 and would require all of the Indebtedness to be paid off as of that date.

22. As the April 11 payout date approached the Debtor advised the Bank that it was in the process of refinancing the Indebtedness with another financial institution, but that more time would be needed. As an act of good faith, the Bank ~~agreed~~offered to extend the payout date to July 15, 2025 provided that certain terms and conditions were satisfied, including providing the Bank with all overdue reporting, including all overdue Borrowing Base Certificates (which had not been provided since November 2024) by April 25, 2025. This offer was never accepted by the Debtor.

23. As a sign of good faith and an intention to work proactively with the Debtor, the Bank elected to not terminate its financing services on April 11 but to continue to work with the Debtor throughout April and May 2025. The Debtor became generally non-responsive to the Bank, and when it did communicate to the Bank it continued to represent that it was working with another financial institution to refinance the Indebtedness.

24. Unfortunately, by June 2025 the Debtor had not provided the Bank with any concrete indication of a commitment from another institution to refinance the Indebtedness, and the Debtor continued to withhold reporting, including Borrowing Base Certificates, from the Bank.

25. As a result, on June 3, 2025 the Bank delivered a demand for payment and notice of intention to enforce security to the Debtor.

26. The Debtor subsequently agreed to meet with the Bank, where it advised that it had not been working towards a refinancing and that it was off-side the Borrowing Base Covenant. The Debtor also agreed to provide all overdue reporting, including Borrowing Base Certificates.

27. The Debtor finally provided its overdue Borrowing Base Certificates to the Bank on July 3, 2025. The most recent Borrowing Base Certificate, for May 2025, showed that the Debtor's borrowing base shortfall was approximately \$12,667,598.

28. Counsel for the Debtor and the Bank subsequently attempted to negotiate forbearance terms, but were unable to finalize a forbearance agreement.

29. On Thursday, August 21, 2025, the Debtor's lawyers advised the Bank that its entire board of directors had resigned with immediate effect. The Bank understands that the Debtor's payroll was due the following day, Friday August 22, 2025. The Bank does not know whether the Debtor satisfied such payroll payments prior its board resigning.

### ***Urgent Need for a Receiver***

30. The Bank urgently requires the appointment of a receiver over the Debtor. The Bank is owed over \$16,015,726 USD and \$2,760,133.23 CAD and, per the May Borrowing Base Certificate, is undercollateralized by over \$12.6 million. The Debtor's directors have resigned, leaving it rudderless.

31. The Bank assumes, but has no way to confirm, in the absence of a receiver, that the Debtor's business operations have come to a halt. The Bank has no visibility into the status of the Debtor's statutory deemed trust payments. [As a result, the proposed Appointment Order](#)

would authorize Spergel, in its capacity as receiver, to make an assignment in bankruptcy on behalf of the Debtor.

32. It is just and convenient in the circumstances to appoint a receiver over the Debtor as doing so would provide stability to the Debtor's wind-down and to ensure that the Debtor's assets are liquidated in an efficient manner for the benefit of all of its stakeholders.

33. Spergel is prepared to act as receiver if so appointed.

***Statutory Regime Relied Upon***

34. Rules 1.04, 1.05, 2.01, 2.03, 3.02, 14.05(2), 16.04, 38, and 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;

35. The provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, including section 243(1);

36. Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and

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

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Application:

- (a) the Affidavit of Kathryn Furfaro, sworn and the exhibits attached thereto;
- (b) the consent of Spergel to act as Receiver; and

- (c) such further and other evidence as counsel may advise and this Honourable Court may permit.

August 25, 2025

**MILLER THOMSON LLP**  
Scotia Plaza  
40 King Street West, Suite 6600  
P.O. Box 1011  
Toronto ON M5H 3S1

**Craig Mills (LSO#:40947B)**  
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**Matthew Cressatti (LSO#:77944T)**  
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Lawyers for the Applicant

THE TORONTO-DOMINION BANK  
Applicant

and

1322297 ONTARIO INC.  
Respondent

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding Commenced at  
Toronto

**NOTICE OF APPLICATION**

**MILLER THOMSON LLP**

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Toronto ON M5H 3S1

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~~RCP-E-4C (September 1, 2020)~~

Document comparison by Workshare Compare on Tuesday, August 26, 2025 12:01:55 PM

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Document 2 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/86905610/2
Description	#86905610v2<Legal> - Notice of Application
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# TAB 3

Court File No.: CV-25-00750251-00CL

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

B E T W E E N:

**THE TORONTO-DOMINION BANK**

Applicant

and

**1322297 ONTARIO INC.**

Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**AFFIDAVIT OF KATHRYN FURFARO  
(Sworn August 26, 2025)**

August 26, 2025

**MILLER THOMSON LLP**  
Scotia Plaza  
40 King Street West, Suite 6600  
P.O. Box 1011  
Toronto ON M5H 3S1

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Lawyers for The Toronto-Dominion Bank

**TO: THE SERVICE LIST**

**TABLE OF CONTENTS**

**I. OVERVIEW.....1**

**II. THE DEBTOR.....3**

**III. THE LOANS AND SECURITY.....3**

    A. The Letter of Agreement .....3

    B. General Security Agreement .....4

**IV. DEFAULTS AND FORBEARANCE AGREEMENTS.....6**

    A. Initial Breaches of Financial and Reporting Covenants .....6

    B. February 2025 Exit Letter .....7

    C. Failure to Provide Overdue Report, Demand and 244 Notice .....8

    D. Informal Forbearance Period.....8

    E. Termination of Banking Services.....8

    F. The Board Resigns .....9

**V. NEED FOR APPOINTMENT OF A RECEIVER.....10**

**AFFIDAVIT OF KATHRYN FURFARO**  
**(Sworn August 26, 2025)**

**I, KATHRYN FURFARO, of the City of Toronto in the Province of Ontario, MAKE  
OATH AND SAY AS FOLLOWS:**

**I. OVERVIEW**

1. I am employed by The Toronto-Dominion Bank (the “**Bank**”) as a Manager, Commercial Credit in the Bank’s Financial Restructuring Group, and as such have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary these matters are within my own knowledge and are true. Where I have indicated that I have obtained facts from other sources, I have identified the source and I believe those facts to be true.
2. I swear this affidavit in support of the Bank’s application to appoint msi Spergel Inc. (“**Spergel**”) as receiver of 1322297 Ontario Inc. (the “**Debtor**”) and all of its property, assets, and undertakings (the “**Property**”) pursuant to Section 243 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.
3. The Debtor is a toy, game and gift distributor headquartered in Ancaster, Ontario carrying on business as “Everest Toys”. As of August 20, 2025, the Debtor was indebted to the Bank for approximately \$16,015,726 USD and \$2,760,133.23 CAD, exclusive of accruing interest and professional fees (the “**Indebtedness**”).
4. The Bank is the Debtor’s senior secured creditor and holds a general security interest over all of the Debtor’s personal property.
5. As detailed below, the Bank decided to terminate its relationship with the Debtor in February 2025 due to (a) the Debtor’s failure to satisfy its reporting covenants and (b) the

Debtor's deteriorating financial circumstances, as detailed by the limited reporting provided to the Bank.

6. The Bank initially required the Debtor to repay the Indebtedness by April 11, 2025, but agreed, in good faith, to extend that date several times, on the basis of the Debtor's representations.
7. The Debtor finally provided a portion of its overdue financial reporting on July 3, 2025. That reporting, as detailed below, showed that the Bank was undercollateralized by at least \$12.6 million CAD.
8. The Bank subsequently attempted to negotiate forbearance terms with the Debtor to allow it to refinance the Indebtedness or otherwise resolve the Bank's outstanding concerns. Unfortunately, on Thursday, August 21, 2025, the Debtor advised the Bank that its entire board of directors (the "**Board**") had resigned with immediate effect.
9. The Debtor does not currently have any directors, and remains in breach of its obligations to the Bank. The Bank has no visibility into the status of payroll, which it understands was due on Friday, August 22, 2025, or statutory priority payables.
10. The Bank urgently requires the appointment of a receiver to ensure that the Debtor's remaining assets be realized upon in an efficient manner for the benefit of all of the Debtor's stakeholders.

## II. THE DEBTOR

11. As stated above, the Debtor a toy, game and gift manufacturer headquartered in Ancaster, Ontario carrying on business as “Everest Toys”. A copy of the Debtor’s corporate profile report dated as of August 25, 2025, is attached as **Exhibit “A”**.

## III. THE LOANS AND SECURITY

### A. The Letter of Agreement

12. The Bank has advanced one credit facility (the “**Facility**”) to the Debtor pursuant to the terms of a demand operating facility agreement executed on February 29, 2024 (the “**Credit Agreement**”). As stated above, as of August 20, 2025, the Debtor’s Indebtedness was approximately \$16,015,726 USD and \$2,760,133.23 CAD, exclusive of professional fees and accruing interest. A copy of the Credit Agreement is attached hereto as **Exhibit “B”**.
13. The Facility is a revolving demand working capital facility to be used for general working capital purposes.
14. The Facility’s borrowing limit is determined by a forward-margined borrowing base covenant (the “**Borrowing Base Covenant**”) that limits outstanding advances under the Facility to the lesser of:
- (a) \$35,000,000 CAD (the “**Upper Bound**”); and
  - (b) The sum of:
    - i. 100% of cash deposits up to \$2,000,000 CAD;
    - ii. 90% of certain accounts receivable;
    - iii. 75% of certain related party accounts receivable;

- iv. 50% of certain inventory,
- v. all less obsolete, damaged, or non-saleable inventory and statutory “priority payables” (collectively, the “**Lower Bound**”).

15. The Credit Agreement includes rigorous reporting requirements, including the requirement to provide monthly listings of accounts payable, accounts receivable, and inventory, and to provide monthly certificates of compliance with the Borrowing Base Covenant (“**Borrowing Base Certificates**”).
16. The Facility is subject to a “forward margining” covenant, meaning that the Facility’s borrowing limit for any given month is increased or reduced based on the Debtor’s reporting for the prior month.
17. The Facility is a demand credit facility and may be cancelled by the Bank at any time, at its sole discretion, even if the Debtor is in compliance with the Credit Agreement’s covenants and conditions.

**B. General Security Agreement**

18. As security for its obligations to the Bank, including the Facility, the Debtor has executed two general security agreements in favour of the Bank, dated August 17, 2018 (the “**2018 GSA**”) and October 31, 2022 (the “**2022 GSA**” and together with the 2018 GSA, the “**GSAs**”). Copies of the GSAs are attached as **Exhibit “C”** and **Exhibit “D”**.
19. The 2018 GSA includes a Board resolution of the Debtor approving the execution of the 2018 GSA. The Board also approved the execution of the 2022 GSA. Attached hereto as **Exhibit “E”** is a copy of the Board resolution approving the 2022 GSA.
20. The GSAs are each in the Bank’s standard form and are substantially identical.

21. Per Section 1 of the GSAs, the GSAs apply to all present and after acquired personal property that the Debtor had at the time the GSAs were executed or thereafter acquired, including all intangibles, chattel paper and documents of title, deposits and credit balances, books and records, accounts and book debts, equipment, inventory, instruments, securities, real property, and the proceeds thereof (collectively, the “**Collateral**”).
22. Pursuant to Section 2 of the GSAs, the Bank’s security interest in the Collateral “secures the payment and performance of all present and future obligations of the [Debtor] to the Bank”.
23. Under Section 11(b) of the GSAs, the Debtor’s failure to perform any provision of any agreement between the Debtor and the Bank is an “Event of Default” under the GSAs.
24. Section 12 of the GSAs provides that, upon an Event of Default the Bank may, *inter alia*:
  - (a) Take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;
  - (b) Take possession of the Collateral;
  - (c) Sell, lease, license or otherwise dispose of the Collateral upon such terms and conditions as the Bank may determine; and
  - (d) appoint a receiver or receiver and manager of the Collateral or apply to any court for the appointment of a receiver or receiver and manager.
25. A copy of an Ontario Personal Property Security Registration System search for the Debtor current to August 24, 2025 is attached as **Exhibit “F”** (the “**PPSA Search**”).

26. The Bank has made two registrations against the Debtor pursuant to the provisions of the *Personal Property Security Act* (“**PPSA**”), on August 10, 2018 (the “**2018 Registration**”) and on August 12, 2022. Each registration is against Inventory, Equipment, Accounts, Other, and Motor Vehicle.
27. The 2018 Registration was made for a seven-year registration period. On June 30, 2025 the Bank registered a Financing Change Statement renewing the 2018 Registration for a further five years.
28. The PPSA Search indicates that Roynat Inc. (“**Roynat**”) made six PPSA registrations that pre-date the 2018 Registration. On August 17, 2018, the Bank, Roynat, and the Borrower executed a subordination agreement pursuant to which, *inter alia*, the parties thereto agreed that Roynat’s security over the Debtor would be postponed and subordinated in all respects to the security constituted by the Bank. A copy of the Subordination Agreement is attached as **Exhibit “G”**.
29. The Bank intends to serve Roynat with its application record in these proceedings.

#### **IV. DEFAULTS AND FORBEARANCE AGREEMENTS**

##### **A. Initial Breaches of Financial and Reporting Covenants**

30. As stated above, the Credit Agreement includes a number of reporting obligations. Beginning in the fall of 2024 the Debtor began to be in breach of these reporting covenants, including by failing to provide any Borrowing Base Certificates from December 2024 onwards.
31. As a result, the Bank did not have any line of sight into the Debtor’s finances or the value of its collateral.

32. Furthermore, the limited reporting that was being provided to the Bank indicated that the Debtor's financial position was deteriorating, with intercompany receivables increasing significantly.

**B. February 2025 Exit Letter**

33. As a result of the Debtor's breaches of its reporting covenant, the Bank decided to terminate its relationship with the Debtor and several related entities. On February 24, 2025 the Bank delivered an "exit letter" to the Debtor advising that the Bank was not prepared to offer any financial services from and after April 11, 2025 and would require all of the Indebtedness to be paid off as of that date. A copy of the Bank's exit letter dated February 24, 2025 is attached as **Exhibit "H"**.

34. As the April 11 payout date approached the Debtor advised the Bank that it was in the process of refinancing the Indebtedness with another financial institution, but that more time would be needed. As an act of good faith, the Bank offered to extend the payout date to July 15, 2025 provided that certain terms and conditions were satisfied, including providing the Bank with all overdue reporting, including all overdue Borrowing Base Certificates (which had not been provided since November 2024) by April 25, 2025. This offer was not accepted by the Debtor.

35. As a sign of good faith and an intention to work proactively with the Debtor, the Bank elected to not terminate its financing services on April 11 but to continue to work with the Debtor throughout April and May 2025. The Debtor became generally non-responsive to the Bank.

**C. Failure to Provide Overdue Report, Demand and 244 Notice**

36. Unfortunately, by June 2025 the Debtor had not provided the Bank with any concrete indication of a commitment from another institution to refinance the Indebtedness, and the Debtor continued to withhold reporting, including Borrowing Base Certificates, from the Bank.
37. As a result, on June 3, 2025 the Bank delivered a demand for payment and notice of intention to enforce security to the Debtor pursuant to Section 244 of the BIA. A copy of the Bank's demand and Section 244 notice is attached as **Exhibit "I"**.

**D. Informal Forbearance Period**

38. Notwithstanding the expiry of the ten day period following delivery of the Section 244 notice, the Bank continued to allow the Debtor to make draws upon the Facility as a sign of good faith while the Bank and Debtor attempted to work towards a solution. The Bank also agreed to informally forbear from exercising any enforcement steps on a day-to-day basis. The Bank and the Debtor met on June 10, 2025 to discuss the provision of overdue reporting and to discuss a go-forward plan. At the June 10 meeting the Debtor estimated the borrowing base shortfall at approximately \$8.5 million.
39. The Debtor eventually provided certain overdue reporting on July 3, 2025. Unfortunately, the overdue reporting showed that the Debtor's borrowing base shortfall was approximately \$12,667,598, significantly offside the Borrowing Base Covenant. A copy of the Debtor's May 2025 Borrowing Base Certificate is attached as **Exhibit "J"**.

**E. Termination of Banking Services**

40. As a result of the Debtor's borrowing base shortfall, on July 15, 2025 the Bank advised the Debtor that it was exercising its right, pursuant to the Credit Agreement, to "freeze" the

Facility, no longer provide any working capital to the Debtor, and not provide any further banking or ancillary services, including daylight facilities.

41. Counsel for the Debtor and the Bank continued to attempt to negotiate forbearance terms, but were unable to finalize a forbearance agreement.

**F. The Board Resigns**

42. On Thursday, August 21, 2025, the Debtor's lawyers advised the Bank that the Board had resigned with immediate effect. The Bank understands that the Debtor's payroll was due the following day, Friday August 22, 2025. The Bank does not know whether the Debtor satisfied such payroll payments prior to the Board resigning. A copy of correspondence from the Debtor's lawyers, dated August 21, 2025, along with the Debtor's director resignation notices, is attached as **Exhibit "K"**.

43. As a result of the Board's resignation the Debtor no longer has any management or guidance. It is rudderless and is no longer able to meaningfully work with the Bank towards a mutually-beneficial outcome. The Debtor's counsel's letter advised that the Debtor's vice president would be "responsible for overseeing the suspension of [the Debtor's] operation", there is no reference to a new board taking over or the Debtor intending to remain a going-concern.

44. The Bank also does not know whether the Debtor satisfied its payroll obligations, which TD believes to be in the range of at least tens of thousands of dollars. I understand from Miller Thomson LLP, counsel to the Bank, that any unpaid wages would take priority over the Bank's security.

45. The Bank is currently operating in a significant informational deficit. The Bank's collateral consists, essentially, of accounts receivable and inventory.
46. The Bank does not have visibility into the current status of the Debtor's accounts receivable or the location of its inventory. The Bank also does not have any visibility into whether there have been any transfers at undervalue or preferences.
47. The Bank wishes to empower the receiver to also, if it determines necessary or advisable, make an assignment in bankruptcy on behalf of the Debtor, so that the Receiver may reverse the priority of any unpaid GST/HST. The Bank does not currently have any visibility into the status of the Debtor's unpaid GST/HST or any other statutory priority payable.

**V. NEED FOR APPOINTMENT OF A RECEIVER**

48. As a result of the Board's resignation, along with the Debtor's significant borrowing base shortfall, the Bank urgently requires the appointment of a receiver over the Property.
49. It appears that the Debtor no longer intends to continue as a going-concern. As a result, a receiver is necessary to ensure that the Property is efficiently and fairly wound-down and its assets realized upon for the interest of the Debtor's stakeholders.
50. The Bank's collateral is, by the Debtor's own reporting, worth over \$12 million less than the Indebtedness. The high value of the Bank's exposure supports the Court's appointment of a receiver.
51. The Bank has no visibility into the status of the Debtor's statutory deemed trust payments. As a result, the proposed Appointment Order would authorize Spergel, in its capacity as receiver, to make an assignment in bankruptcy on behalf of the Debtor.

52. As stated above, the GSAs each support the appointment of a receiver or receiver and manager in the event of a default under the Credit Agreement.
53. Spergel is prepared to act as receiver if so appointed. Spergel's consent to act as receiver is attached as **Exhibit "L"**.
54. I swear this affidavit in support of a Receivership Order in the form contained at Tab 4 of the Application Record, and for no other or improper purpose.

**SWORN** before me at the City of Toronto, in the Province of Ontario, with the deponent in the City of Thunder Bay, in the Province of Ontario, this 26<sup>th</sup> day of August, 2025 in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

---

Commissioner for Taking Affidavits

**MATTHEW CRESSATTI**

Signed by:  
*Kathryn Furfaro*  
88431BAE44F14F2...

---

**KATHRYN FURFARO**

This is Exhibit “A” referred to in the Affidavit of Kathryn Furfaro sworn by Kathryn Furfaro of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on August 26, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D

---

*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



Ministry of Public and  
Business Service Delivery

## Profile Report

1322297 ONTARIO INC. as of August 25, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	1322297 ONTARIO INC.
Ontario Corporation Number (OCN)	1322297
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	December 11, 1998
Registered or Head Office Address	1430 Cormorant Road, Ancaster, Ontario, L9G 4V5, Canada

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

A handwritten signature in black ink, appearing to read "V. Quintanilla W.", written over a light blue horizontal line.

Director/Registrar

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

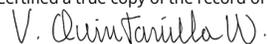
Minimum Number of Directors 1  
Maximum Number of Directors 5

**Active Director(s)**

**Name** KAREN JOHANNA PUTMAN  
**Address for Service** 1430 Cormorant Road, Ancaster, Ontario, L9G 4V5, Canada  
**Resident Canadian** Yes  
**Date Began** December 11, 1998

**Name** ROBERT WYNNE PUTMAN  
**Address for Service** 1430 Cormorant Road, Ancaster, Ontario, L9G 4V5, Canada  
**Resident Canadian** Yes  
**Date Began** December 11, 1998

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



Director/Registrar

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

**Active Officer(s)**

**Name** DOUGLAS PUTMAN  
**Position** Vice-President  
**Address for Service** 1430 Cormorant Road, Ancaster, Ontario, L9G 4V5, Canada  
**Date Began** December 03, 2013

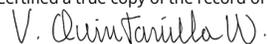
**Name** JENNER PUTMAN  
**Position** Vice-President  
**Address for Service** 1430 Cormorant Road, Ancaster, Ontario, L9G 4V5, Canada  
**Date Began** January 08, 2014

**Name** KAREN JOHANNA PUTMAN  
**Position** President  
**Address for Service** 1430 Cormorant Road, Ancaster, Ontario, L9G 4V5, Canada  
**Date Began** December 11, 1998

**Name** KAREN JOHANNA PUTMAN  
**Position** Treasurer  
**Address for Service** 1430 Cormorant Road, Ancaster, Ontario, L9G 4V5, Canada  
**Date Began** December 11, 1998

**Name** ROBERT WYNNE PUTMAN  
**Position** Secretary  
**Address for Service** 1430 Cormorant Road, Ancaster, Ontario, L9G 4V5, Canada  
**Date Began** December 11, 1998

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



Director/Registrar

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### Corporate Name History

Name

1322297 ONTARIO INC.

Effective Date

December 11, 1998

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

*V. Quintanilla W.*

Director/Registrar

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

Additional historical information may exist in paper or microfiche format.

**Active Business Names**

<b>Name</b>	EVEREST TOYS AND GAMES
<b>Business Identification Number (BIN)</b>	251075321
<b>Registration Date</b>	November 05, 2015
<b>Expiry Date</b>	November 03, 2025

<b>Name</b>	EVEREST WHOLESALE
<b>Business Identification Number (BIN)</b>	151276904
<b>Registration Date</b>	November 21, 2005
<b>Expiry Date</b>	November 17, 2025

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

*V. Quintanilla W.*

Director/Registrar

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

**Expired or Cancelled Business Names**

<b>Name</b>	EVEREST TOYS AND GAMES
<b>Business Identification Number (BIN)</b>	200467124
<b>Status</b>	Inactive - Expired
<b>Registration Date</b>	April 27, 2010
<b>Expired Date</b>	April 26, 2015

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

*V. Quintanilla W.*

Director/Registrar

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**Document List**

<b>Filing Name</b>	<b>Effective Date</b>
Annual Return - 2009 PAF: DOUGLAS PUTMAN	January 10, 2025
BCA - Articles of Amendment	November 28, 2021
Annual Return - 2020 PAF: KAREN PUTMAN - OFFICER	May 02, 2021
Annual Return - 2019 PAF: KAREN PUTMAN - OFFICER	May 10, 2020
Annual Return - 2018 PAF: KAREN PUTMAN - OFFICER	December 23, 2018
CIA - Notice of Change PAF: ANTONIO MADDALENA - OTHER	September 17, 2018
Annual Return - 2017 PAF: KAREN PUTMAN - OFFICER	November 12, 2017
Annual Return - 2016 PAF: KAREN PUTMAN - OFFICER	December 18, 2016
Annual Return - 2015 PAF: KAREN PUTMAN - OFFICER	January 30, 2016
Annual Return - 2014 PAF: KAREN PUTMAN - OFFICER	December 06, 2014
Annual Return - 2013 PAF: KAREN PUTMAN - OFFICER	February 01, 2014
CIA - Notice of Change PAF: ANTONIO MADDALENA - OTHER	January 22, 2014
CIA - Notice of Change PAF: ANTONIO MADDALENA - OTHER	December 20, 2013

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*V. Quintanilla W.*

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CIA - Notice of Change PAF: ANTONIO MADDALENA - OTHER	November 08, 2013
Annual Return - 2012 PAF: KAREN PUTMAN - OFFICER	February 02, 2013
Annual Return - 2011 PAF: KAREN PUTMAN - OFFICER	February 04, 2012
CIA - Notice of Change PAF: ANTONIO MADDALENA - OTHER	April 20, 2011
Annual Return - 2010 PAF: KAREN PUTMAN - OFFICER	October 20, 2010
CIA - Notice of Change PAF: ANTONIO MADDALENA - OTHER	April 29, 2010
CIA - Notice of Change PAF: ANTONIO MADDALENA - OTHER	April 28, 2010
Annual Return - 2008 PAF: KAREN PUTMAN	December 13, 2008
Annual Return - 2007 PAF: KAREN PUTMAN	December 22, 2007
Annual Return - 2006 PAF: KAREN PUTMAN	February 10, 2007
Annual Return - 2005 PAF: KAREN PUTMAN	April 22, 2006
Annual Return - 2004 PAF: KAREN PUTMAN	March 19, 2005
BCA - Articles of Amendment	October 08, 2004
BCA - Articles of Amendment	July 31, 2004
Annual Return - 2003 PAF: KAREN PUTMAN - DIRECTOR	March 06, 2004
Annual Return - 2002	March 18, 2003

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

*V. Quintanilla W.*

Director/Registrar

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PAF: KAREN PUTMAN - DIRECTOR

Annual Return - 2001

May 20, 2002

PAF: KAREN PUTMAN - DIRECTOR

Annual Return - 2001

February 03, 2002

PAF: KAREN PUTMAN - DIRECTOR

CIA - Notice of Change

April 09, 2001

PAF: ANTONIO MADDALENA - OTHER

CIA - Initial Return

May 06, 1999

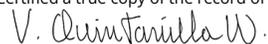
PAF: GEORGE J. GRESKO - OTHER

BCA - Articles of Incorporation

December 11, 1998

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

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



Director/Registrar

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This is Exhibit “B” referred to in the Affidavit of Kathryn Furfaro sworn by Kathryn Furfaro of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on August 26, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



100 King Street West, 4<sup>th</sup> Floor  
Hamilton, Ontario  
L8P 1A2  
Telephone No.: (905) 521 6519  
Fax No.: (905) 529 5451

February 29, 2024

1322297 ONTARIO INC.  
1430 Cormorant Road  
Ancaster, Ontario  
L9G 4V5

Attention: Bob and Karen Putman

**DEMAND OPERATING FACILITY AGREEMENT**

This Agreement between: **The Toronto-Dominion Bank** (the "Bank"), through its Commercial Banking Centre in Hamilton, Ontario.

and

Borrower's Legal Name: 1322297 ONTARIO INC. (herein called the 'Borrower')

Borrower's Address: 1430 CORMORANT ROAD, ANCASTER, ON, L9G 4V5

Whereas:

- (i) the Bank has agreed to establish a revolving demand credit facility (the "Facility");
- (ii) the Facility is uncommitted and made available at the sole discretion of the Bank. The Facility may be cancelled at any time even if the Borrower complies with all of the terms and conditions;
- (iii) the Facility will operate on the basis established in this Demand Operating Facility Agreement including without limitation the Standard Terms and Conditions attached as Schedule "A" (the "Agreement"), the terms of which may be changed by the Bank from time to time at the Bank's sole discretion.

In consideration of the Bank establishing the Facility, the Borrower hereby agrees with the Bank to the following terms and conditions:

**CREDIT LIMIT**

- 1) Any outstanding advances under the Facility plus any out of the money exposure related to the Borrower's foreign exchange contracts, including the face amount of any outstanding undrawn L/Cs or CORRA loans, will be at all times the lesser of:
  - a) CAD\$35,000,000, or its USD\$ Equivalent, AND
  - b) The sum of:
    - (i) 100% of the CDN cash balances and CDN equivalent of the USD cash balances held by the Borrower in accounts with the Bank up to CDN\$2,000,000; plus
    - (ii) 90% of Eligible Accounts Receivable; plus

- (iii) 75% of Eligible Related Accounts Receivable from 2428391 Ontario Inc o/a Sunrise Records and 11572288 Canada Inc. o/a Famous Toys up to a maximum of \$5,000,000; plus
- (iv) 75% of Eligible Related Accounts Receivable from 2428392, Inc. o/a For Your Entertainment and Toys "R" Us (Canada) Ltd. up to a maximum of \$12,500,000; plus
- (v) 50% of Eligible Inventory up to a maximum of 50% of the Credit Limit; less
- (vi) All inventory which is obsolete or damaged or not saleable or has been sold to another related entity; less
- (vii) Priority Payables.

Eligible Accounts Receivable is defined as all accounts receivable owed from customers in Canada and the United States, less over 90-day accounts receivable (except for Walmart Inc and Walmart Canada where over 120 day accounts receivable will apply), related party accounts receivable and contra accounts.

Eligible Related Accounts Receivable from 2428391 Ontario Inc o/a Sunrise Records and 11572288 Canada Inc. o/a Famous Toys are defined as any trade accounts receivable due from 2428391 Ontario Inc o/a Sunrise Records and 11572288 Canada Inc. o/a Famous Toys less over 90-day and contra accounts. If greater than 10% of the total accounts receivable for one of the entities is aged over 120 days then the entirety of that related party accounts receivable is to be excluded from the margining.

Eligible Related Accounts Receivable from 2428392, Inc. o/a For Your Entertainment and Toys "R" Us (Canada) Ltd. are defined as any trade accounts receivable due from 2428392, Inc. o/a For Your Entertainment and Toys "R" Us (Canada) Ltd. less over 90-day and contra accounts. If greater than 10% of the total accounts receivable for one of the entities is aged over 120 days then the entirety of that related party accounts receivable is to be excluded from the margining. In addition, if the monthly asset based lending borrowing base reporting for Toys "R" Us (Canada) Ltd. and 2428392, Inc. o/a For Your Entertainment is over 60 days old at any point, the accounts receivable for those entities are to be excluded from the margining. Lastly, if Toys "R" Us (Canada) Ltd. and/or 2428392, Inc. o/a For Your Entertainment default under their asset based lending deals, their accounts receivable are to be excluded from the margining.

Eligible Inventory is defined as the aggregate value of all inventory held by the Borrower valued at the lower of cost and fair market value but excludes the following (inventory in transit is included, subject to marine cargo insurance policy being assigned to the Bank):

- All inventory which is subject to a purchase money security interest or other priority claim.
- Consignment Inventory located in For Your Entertainment stores is limited to 15% of the Eligible Inventory figure. Any other consignment inventory is excluded.

Priority Payables is defined as those claims secured by statutory liens.

Margining of accounts receivable at 90% is subject to Intact accounts receivable insurance policy being assigned to the Bank, with 80% margining to otherwise apply.

Operating Line Limit will be forward margined on a monthly basis, meaning availability will be capped at the lesser of CND\$35,000,000 or the coverage provided based on the formula above per the most recently provided monthly reporting.

#### **PURPOSE**

- 1) To finance ongoing working capital requirements.

#### **BORROWING OPTIONS**

The Bank will make the facility available by way of:

- 1) Prime Rate Based Loans in CAD\$ ("Prime Based Loans")  
United States Base Rate Loans in USD\$ ("USBR Loans")  
Daily Compounded CORRA Loans in CAD ("Daily Compounded CORRA Loans")  
Term CORRA Loans in CAD ("Term CORRA Loans")  
Stand-by Letters of Credit in CAD\$ ("L/Cs")

**AVAILABILITY OF THE FACILITY**

The Borrower acknowledges that the Facility is uncommitted and is not automatically available upon satisfaction of the terms and conditions, including without limitation the Representations & Warranties, Positive Covenants, Negative Covenants, or Financial Covenants set out herein.

The Bank can demand repayment and/or cancel the availability of the Facility at any time in its sole discretion including, for purposes of certainty, with respect to any Term CORRA Loans or Term SOFR Loans before the maturity of any applicable interest rate period.

**INTEREST RATES AND FEES**

For the Borrowing Options available to the Borrower, interest rates and fees are as follows:

- 1) Prime Based Loans: Prime Rate + 0.50% per annum  
Daily Compounded CORRA Loans: Daily Compounded CORRA + 2.30% per annum  
Term CORRA Loans: 1 Month Term CORRA + 2.30% per annum, 3 Month Term CORRA + 2.30% per annum  
USBR Loans: USBR - 0.50% per annum  
L/Cs: As set out in the Letter of Credit Indemnity Agreement applicable to the Issued L/C

Interest rate periods for Term CORRA Loans: 1 and 3 months.

Interest on Term CORRA Loans is payable in arrears at the end of the interest rate period. Interest on Daily Compounded CORRA Loans is payable monthly in arrears on the interest payment date(s) as set out in the notice delivered by the Bank to the Borrower applicable to a specific drawdown.

Additional information on Interest Rate Definitions, Interest Calculations and Payment is set out in the Schedule "A" attached hereto.

**ADMINISTRATION FEE**

CAD\$300 per month.

**RENEWAL FEE**

CAD\$15,000 per annum.

**BORROWING BASE DEFAULT FEE**

The Borrower shall pay, unless waived by the Bank in the Bank's sole discretion, a Borrowing Base Default Fee of CAD\$10,000, each time a default of the Borrowing Base established for the Facility is not rectified within five business days. Any tolerance of a Borrowing Base default will be at the Bank's sole and absolute discretion.

**LATE REPORTING FEE**

The Borrower shall pay, unless waived by the Bank in the Bank's sole discretion, a Late Reporting Fee of CAD\$5,000 per occurrence, and monthly thereafter if past due reporting is not provided within 10 business days from the date of notification by the Bank.

#### **DISCHARGE FEE**

The Borrower shall pay, unless waived by the Bank in the Bank's sole discretion, a Discharge Fee of \$75.00 per collateral charge to prepare the documents needed to register the discharge of any collateral charge under the Bank Security, in addition to the applicable government fee(s) for registering each discharge.

#### **DRAWDOWN**

- a) The Borrower can use the facility on a revolving basis, with borrowings not to exceed the lesser of: (i) the facility limit, and (ii) the Borrowing Base.
- b) The Borrower will follow the provisions set out in this Agreement with respect to notice periods, minimum amounts of draws, interest periods, and applicable terms.
- c) Letters of Credit will be available under Facility #1 with an aggregate sub-limit of \$1,000,000.
- d) Minimum CORRA loan drawdown is \$1,000,000, then in increments of \$100,000. Aggregate CORRA borrowing allowed to a maximum of 50% of the Facility Limit.

#### **DISBURSEMENT CONDITIONS**

The Borrower will not avail itself of the Facility nor will the Bank make the Facility available to the Borrower until the Borrower has fulfilled the Standard Disbursement Conditions contained in Schedule "A".

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#### **BUSINESS CREDIT SERVICE**

The Borrower will have access to Prime Based Loans via Loan Account Number 9286559 2512 (the "Loan Account") up to the Credit Limit, by withdrawing funds from the Borrower's Current Account Number 2512-5286559 (the "Current Account"). The Borrower agrees that each advance from the Loan Account will be in an amount equal to \$20,000 (the "Transfer Amount") or a multiple thereof. If the Transfer Amount is NIL, the Borrower agrees that an advance from its Loan Account may be in an amount sufficient to cover the debits made to the Current Account.

The Borrower agrees that:

- a) all other overdraft privileges which have governed the Current Account are hereby cancelled.
- b) all outstanding overdraft amounts under any such other agreements are now included as indebtedness under the Facility.

The Bank may, but is not required to, automatically advance the Transfer Amount or a multiple thereof or any other amount from the Loan Account to the Current Account in order to cover the debits made to the Current Account if the amount in the Current Account is insufficient to cover the debits. The Bank may, but is not required to, automatically and without notice apply the funds in the Current Account in amounts equal to the Transfer Amount or any multiple thereof or any other amount to repay the outstanding amount in the Loan Account.

#### **OVERDRAFTS**

The Borrower will have access to USBR Loans under the Operating Loan via overdraft from Current Account Number 7310772 2512 (the "US Current Account"). The total of CDN\$ loans and CDN equivalent of USBR Loans under the Operating Loan via overdrafts cannot exceed the limits defined under "Credit Limit" above.

## REPAYMENT

The Borrower agrees to repay the Bank on demand. If the Bank demands repayment, the Borrower will pay to the Bank all amounts outstanding under the Facility, including without limitation, as applicable, the amount of all unmatured Term CORRA Loans, and Daily Compounded CORRA Loans, and the amount of all drawn and undrawn L/Gs and L/Cs. All costs to the Bank and all loss suffered by the Bank in re-employing the amounts so repaid will be paid by the Borrower.

## SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank:

- a) General Security Agreement ("GSA") representing a First charge on all of 1322297 ONTARIO INC.'s present and after acquired personal property.
- b) Subordination Agreement/Priorities Agreement (Inter-creditor agreement) whereby Roynat Inc. subordinates its security interest in favour of the Bank.
- c) Assignment of Fire Insurance from 1322297 ONTARIO INC. in the amount of CAD\$21,000,000, with evidence of Liability Insurance.
- d) Landlord's Letter of Non-Disturbance/Landlord's Waiver from 1979707 ONTARIO INC. re: 1430 Cormorant Road, Ancaster, Ontario.
- e) Insurance on the accounts receivable of 1322297 ONTARIO INC. with the Bank named as beneficiary.
- f) Landlord's Letter of Non-Disturbance/Landlord's Waiver re: 38 Corporate Circle, Albany, New York.
- g) Landlord's Letter of Non-Disturbance/Landlord's Waiver re: 65 Bittern Street, Ancaster, Ontario.
- h) Collateral Access Agreement re: consignment inventory held in For Your Entertainment stores.
- i) Assignment of Marine Cargo Insurance Policy.
- j) Postponement and Assignment of Creditor's Claim executed by the holders of the Preferred Shares Liability.
- k) ~~Unlimited Personal Guarantee of Advances executed by Doug Putman (the "Guarantor"). This security item has been removed~~

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors".

All of the above security and guarantees, along with any further security and guarantees as may be required by the Bank in the future, shall be referred to collectively in this Agreement as "Bank Security".

## PERMITTED LIENS

Permitted Liens as referred to in Schedule 'A' are:

Purchase Money Security Interests in equipment which Purchase Money Security Interests exist on the date of this Agreement ("Existing PMSIs") which are known to the Bank and all future Purchase Money Security Interests on equipment acquired to replace the equipment under Existing PMSIs, provided that the cost of such replacement equipment may not exceed the cost of the equipment subject to the Existing PMSI by more than 10%.

## **REPRESENTATIONS & WARRANTIES**

The Borrower makes the Standard Representations and Warranties set out in Schedule 'A'. All representations and warranties shall be deemed to be continually repeated so long as the Borrower has any dealings with the Bank.

## **POSITIVE COVENANTS**

The Borrower will observe the Standard Positive Covenants set out in Schedule "A" and in addition:

- a) Borrower to maintain compliance with all terms and conditions of the ARI policy.
- b) Borrower to notify the Bank of any claims registered under ARI policy, as they are claimed.
- c) Bank to periodically complete a reconciliation of the accounts receivable insurance policy, reconciling named coverages to the relevant monthly aged accounts receivable listing to determine / quantify any over margined names or positions. These over margined positions may be deducted at the time of the analysis.
- d) Notwithstanding the other terms contained within this Demand Operating Facility Agreement, the Borrower agrees to provide the Bank with additional collateral, satisfactory to the Bank, within 30 days of a default becoming known to the Borrower or the Bank.
- e) ~~Personal Guarantee from Doug Putman is to remain in place until the Bank is satisfied that all terms and conditions of the Letter Agreement, specifically the borrowing base condition, financial covenants and reporting covenants, have remained in compliance for a reasonable period of time, no earlier than October 31, 2023. This covenant has been removed.~~
- f) Borrower to advise the Bank within 5 business days after the occurrence of an event of default under any agreement for borrowed money for Toys "R" Us (Canada) Ltd. and 2428392, Inc. o/a For Your Entertainment.

## **REPORTING COVENANTS:**

The Borrower's will provide:

- a) Annual Audited financial statements, accompanied by a compliance certificate, of the Borrower delivered within 120 days after fiscal year end. Compliance certificate is to outline compliance with Q4 Covenants, based on accountant prepared financial statements.
- b) Annual Management Prepared projections (income statement, balance sheet, and cash flow statement) broken out quarterly, and delivered within 120 days after the end of each financial year.
- c) Quarterly Management Prepared financial statements, accompanied by a compliance certificate of the Borrower delivered within 60 days after the end of each financial quarter. Compliance certificate is to outline compliance with Quarterly Covenants.
- d) Monthly accounts receivable listing, accounts payable listing, inventory summary and compliance certificate outlining compliance with the monthly borrowing base condition delivered within 30 days after each month end.
- e) Annual minimum Notice to Reader financial statements for 2428391 Ontario Inc. o/a Sunrise Records delivered within 120 days after its fiscal year-end.
- f) Quarterly Management Prepared financial statements for 2428391 Ontario Inc. o/a Sunrise Records delivered within 60 days after each of its fiscal quarter ends.
- g) Monthly asset based lending borrowing base reporting for Toys "R" Us (Canada) Ltd. and 2428392, Inc. o/a For Your Entertainment within 30 days after each month end accompanied by the respective Wells Fargo compliance certificate.
- h) Annual Audited financial statements for Toys "R" Us (Canada) Ltd. and 2428392, Inc. o/a For Your Entertainment within 180 calendar days of their respective fiscal year ends accompanied by the respective Wells Fargo compliance certificate.

- i) Quarterly Management Prepared financial statements for Toys "R" Us (Canada) Ltd. and 2428392, Inc. o/a For Your Entertainment within 60 calendar days of their respective quarter ends accompanied by the respective Wells Fargo compliance certificate.

### **NEGATIVE COVENANTS**

The Borrower will observe the Standard Negative Covenants set out in Schedule "A" and in addition:

- a) No Distributions are to be made unless the Borrower is compliant with all Financial Covenants on a pre and post distribution basis. Distributions include but are not limited to dividends, shareholder and related party loans, and share redemptions.
- b) No additional liens other than Permitted Liens (where Permitted Liens are to reflect capital leases in an amount less than \$1,000,000).
- c) No additional indebtedness other than that pertaining to Permitted Liens and for related loans in an amount less than \$1,000,000.
- d) No change of control/ownership, or re-organization.
- e) No acquisitions greater than \$2,000,000 without prior consent of the Bank. All acquisitions are subject to Financial Covenant compliance on a pre and post-acquisition basis.

### **FINANCIAL COVENANTS**

The Borrower agrees at all times to:

- a) Maintain a Fixed Charge Coverage Ratio of not less than 1.25x at all times and tested quarterly on a rolling four quarter basis.

Fixed Charge Coverage Ratio is defined as:

$(\text{EBITDAR} - \text{unfinanced capital expenditures} - \text{cash taxes} - \text{distributions}) / (\text{principal} + \text{interest} + \text{rent})$

EBITDAR is defined as earnings before interest, tax, depreciation, amortization, and rent.

- b) Maintain a Total Debt to Tangible Net Worth ratio of not greater than:

3.50:1 in fiscal Q1 (May) and Q2 (August).

3.75:1 in fiscal Q3 (November).

2.75:1 in fiscal Q4 (February).

Tested quarterly Total Debt is defined as the Borrower's total liabilities less loans made by the shareholders to the Borrower and postponed in favor of the Bank, including and not limited to all Contingent Liabilities.

Tangible Net Worth is defined as shareholder's equity plus loans made by the shareholders to the Borrower and postponed in favour of the Bank, less loans to its shareholders, employees and other related parties and less intangible assets including without limitation, goodwill, research and development, franchises, patents and trademarks. Related accounts receivable which are aged over 90 days are to be deducted from the Tangible Net Worth for the applicable quarter-end month (i.e. January, April, July, October).

Contingent Liabilities are to include any contingent obligation of the Borrower with the exception of guarantee made in support of 1979707 Ontario Inc's term loan secured against real estate occupied by the Borrower.

**ANCILLARY FACILITIES**

As at the date of this Agreement, the following uncommitted ancillary products are made available. These products may be subject to other agreements.

- a) TD Visa Business card(s).
- b) Spot Foreign Exchange Facility which allows the Borrower to enter into USD\$3,000,000 for settlement on a spot basis.
- c) Certain treasury products, such as forward foreign exchange transactions.

The Borrower agrees that treasury products will be used to hedge its risk and will not be used for speculative purposes.

The paragraph headed "FX CLOSE OUT" as set out in Schedule "A" shall apply to FX Transactions.

For the Borrower's information only, the Bank advises the Borrower that, as at the day of this Agreement only, the Bank would, if requested by the Borrower, make available to the Borrower forward foreign exchange contracts for periods of up to 12 months. This limit and term is subject to change at any time at the discretion of the Bank and without prior notice to the Borrower. The Borrower must contact the Bank from time to time, to obtain information about the Borrower's then current forward foreign exchange limit.

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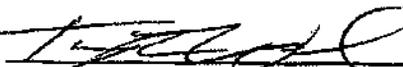
**SCHEDULE "A" - TERMS AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which are applicable to the Borrower and which apply to this Facility. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

We trust you will find these Facilities helpful in meeting your ongoing financing requirements. We ask that you acknowledge this offer of financing (which includes the Standard Terms and Conditions) by signing and returning the attached duplicate copy of this agreement to the undersigned by **March 31, 2024**.

Yours truly,

**THE TORONTO-DOMINION BANK**

  
Taylor Wood  
Senior Manager, Commercial Services

  
Scott Galbraith  
Vice President

**TO THE TORONTO-DOMINION BANK:**

**1322297 ONTARIO INC.**

The Borrower acknowledges and agrees to the terms and conditions of this Agreement, including those of Schedule "A" attached hereto. The following persons have the power to bind the Borrower. The Borrower confirms that, except as provided above, the credit facilities provided herein will not be used by or on behalf of any third party.

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

DAVID RUTMAN      PRESIDENT  
\_\_\_\_\_  
Print Name & Position

\_\_\_\_\_  
Print Name & Position

3/7/2019  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

~~cc: Guarantor(s)~~ 

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

## **SCHEDULE "A" - STANDARD TERMS AND CONDITIONS**

### **1. DEFINITIONS**

Capitalized Terms used in this Agreement shall have the following meanings:

*"All-in Rate"* means the highest of the interest rates that the Borrower pays for Floating Rate Loans.

*"Available Tenor"* means, with respect to the applicable then-current Benchmark, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement.

*"Benchmark"* means the Term SOFR Reference Rate, Daily Simple SOFR, Term CORRA Reference Rate, or Daily Compounded CORRA, as the case may be.

*"Benchmark Administrator"* means, with respect to a Benchmark, the administrator of such Benchmark (or the published component used in the calculation thereof).

*"Benchmark Replacement Date"* means, with respect to a Benchmark, a date and time determined by the Bank, which date shall be no later than the earliest to occur of: (a) in the case of clause (x) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the Benchmark Administrator permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or (b) in the case of clause (y) of the definition of "Benchmark Transition Event," the first date on which the regulatory supervisor for the Benchmark Administrator announces that such Benchmark is non-representative, even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

*"Benchmark Transition Event"* means the occurrence of a public statement or publication of information (x) by (i) or ~~on behalf of the Benchmark Administrator, (ii) the regulatory supervisor for the Benchmark Administrator, (iii) the~~ Bank of Canada, (iv) an insolvency official with jurisdiction over the Benchmark Administrator, (v) a resolution authority with jurisdiction over the Benchmark Administrator, or (vi) a court or an entity with similar insolvency or resolution authority over the Benchmark Administrator, announcing that the Benchmark Administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or (y) by the regulatory supervisor for the Benchmark Administrator announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

*"Business Day"* means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business, provided that when used in connection with Term SOFR loans, the term Business Day shall exclude any day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

*"Branch / Centre"* means the Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

*"CORRA"* means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

*"CORRA Administrator"* the Bank of Canada (or any successor administrator).

*"Daily Compounded CORRA"* means, for any day (a "CORRA Rate Day"), CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Bank in accordance with the methodology and conventions for this rate selected or recommended by the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto, for determining compounded CORRA for business loans; provided that if the Bank decides that any such convention is not administratively feasible for the Bank, then the Bank may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published CORRA and a Benchmark Replacement Date with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA. Notwithstanding the forgoing, if a loan with an interest rate based on Daily Compounded CORRA has been hedged in its entirety with an interest rate swap with the Bank, the lookback period in the methodology for the calculation of Daily Compounded CORRA shall be two (2) business days." For the avoidance of doubt, from the date hereof until such date that the Bank determines that the methodology and conventions described above have changed, CORRA, as used in the definition of Daily Compounded CORRA, shall mean, for any CORRA Rate Day, a rate per annum equal to the greater of (a) CORRA for the day (such day, a "CORRA Determination Day") that is five (5) Business Days prior to (i) if such CORRA Rate Day is a Business Day, such CORRA Rate Day or (ii) if such CORRA Rate Day is not a Business Day, the Business Day immediately preceding such CORRA Rate Day, in each case, as such CORRA is published by the CORRA Administrator on the CORRA Administrator's Website, and (b) zero percent. If by 5:00 p.m. (Toronto time) on the second (2nd) Business Day immediately following any CORRA Determination Day, CORRA in respect of such CORRA Determination Day has not been published on the CORRA Administrator's Website and a Benchmark Replacement Date with respect to the Daily Compounded CORRA has not occurred, then CORRA for such CORRA Determination Day will be CORRA as published in respect of the first preceding Business Day for which such CORRA was published on the CORRA Administrator's Website; provided that any CORRA determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Compounded CORRA for no more than three (3) consecutive CORRA Rate Days.

*"Daily Simple SOFR"* means, for any day (a "SOFR Rate Day"), SOFR with interest accruing on a simple daily basis, with the methodology and conventions for this rate (which will include a lookback) being established by the Bank in accordance with the methodology and conventions for this rate selected or recommended by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate), or any successor thereto, for determining daily simple SOFR for business loans; provided that if the Bank decides that any such convention is not administratively feasible for the Bank, then the Bank may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published SOFR and a Benchmark Replacement Date with respect to SOFR has not occurred, then, in respect of any day for which SOFR is required, references to SOFR will be deemed to be references to the last provided or published SOFR. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower. For the avoidance of doubt, from the date hereof until such date that the Bank determines that the methodology and conventions described above have changed, Daily Simple SOFR shall mean, for any SOFR Rate Day, a rate per annum equal to the greater of (a) SOFR for the day (such day, a "SOFR Determination Day") that is five (5) Business Days prior to (i) if such SOFR Rate Day is a Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a Business Day, the Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website, and (b) zero percent. If by 5:00 p.m. (New York City time) on the second (2nd) Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator's Website and a Benchmark Replacement Date with respect to the Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first preceding Business Day for which such SOFR was published on the SOFR Administrator's Website; provided that any SOFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days.

*"Face Amount"* means in respect of a L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

*"Floating Rate Loans"* means any loan drawn down or extended under this Agreement at an interest rate which is referenced to a variable rate of interest, such as Prime Rate.

*"Inventory Value"* means, at the time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

*"Letter"* means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

*"Letter of Credit"* or *"L/C"* means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

*"Letter of Guarantee"* or *"L/G"* means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

*"Purchase Money Security Interest"* means a security interest on asset which is granted to a lender or to the seller of such asset in order to secure the purchase price of such asset or a loan incurred to acquire such asset provided that the amount secured by the security interest does not exceed the cost of the asset and provided that the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

*"Receivable Value"* means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) ~~those accounts owing by persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the~~ Bank may from time to time designate in its sole discretion, (iv) those accounts subject to any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the amount of all the Borrower's unremitted source deductions and unpaid taxes.

*"Receivables / Inventory Summary"* means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by the Borrower's senior officer or authorized representative.

*"SOFR"* means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org> (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured financing rate from time to time), on the immediately succeeding Business Day.

*"SOFR Administrator"* means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

*"Term CORRA"* means, for the applicable corresponding interest period of a Term CORRA Loan, the Term CORRA Reference Rate for an interest period comparable to the applicable selected interest period on the day (such day, the "Periodic Term CORRA Determination Day") that is two (2) Business Days prior to the first day of such selected period, as such rate is published by the Term CORRA Administrator; provided, however, if as of 1:00 P.M. (Toronto time) on any Periodic Term CORRA Determination Day the Term CORRA Reference Rate for the applicable interest period has not been published by the Term CORRA Administrator and a Benchmark Replacement Date with respect to Term CORRA has not occurred, then Term CORRA will be the Term CORRA Reference Rate for such interest period as published by the Term CORRA Administrator on the first preceding Business Day for which such Term CORRA Reference Rate for such interest period was published by the Term CORRA Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Periodic Term CORRA Determination Day.

*"Term CORRA Administrator"* means Candeal Benchmark Administration Services Inc., TSX Inc. (or a successor administrator of the Term CORRA Reference Rate selected by the Bank in its reasonable discretion).

*"Term CORRA Reference Rate"* means, for the applicable corresponding interest period, the forward-looking term rate based on CORRA.

*"Term SOFR"* means, for the applicable corresponding interest period of a Term SOFR Loan, the Term SOFR Reference Rate for an interest period comparable to the applicable selected interest period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) Business Days prior to the first day of such selected period, as such rate is published by the Term SOFR Administrator; provided, however, if as of 5:00 P.M. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable interest period has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to Term SOFR has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such interest period as published by the Term SOFR Administrator on the first preceding Business Day for which such Term SOFR Reference Rate for such interest period was published by the Term SOFR Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Periodic Term SOFR Determination Day.

*"Term SOFR Administrator"* means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Bank in its reasonable discretion).

*"Term SOFR Reference Rate"* means, for the applicable corresponding interest period, the forward-looking term rate based on SOFR.

*"USBR"* means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

*"USD" or "USD Equivalent"* means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the exchange rate determined by the Bank at the time of the conversion.

## **2. INTEREST RATE DEFINITIONS**

A Term CORRA rate expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the number of days in the calendar year in which the same is to be ascertained and divided by three hundred and sixty-five (365).

A Term SOFR rate expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the number of days in the calendar year in which the same is to be ascertained and divided by three hundred and sixty (360).

Interest rates will never be less than zero. If Prime Rate, Daily Compounded CORRA, Term CORRA, Daily Simple SOFR, Term SOFR, USBR or any other applicable base rate changes, resulting in a variable or floating annual interest rate that is a negative number, the interest rate will be 0.00%. Notwithstanding the foregoing, if a Floating Rate Loan with an interest rate based on Daily Compounded CORRA, Term CORRA, Daily Simple SOFR or Term SOFR has been hedged in its entirety with an interest rate swap with the Bank (the "Swap") and the Swap does not include a negative interest rate floor, the foregoing negative interest rate floor shall not apply. However, for purposes of certainty, if the Swap is subsequently terminated or novated the restriction interest rates shall never be less than 0.00% shall apply.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

The Bank does not warrant or accept responsibility for, and shall not have any liability with respect to the continuation of, administration of, submission of, calculation of or any other matter related to Term CORRA, Daily Compounded CORRA, Daily Simple SOFR, Term SOFR or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto, including whether the composition or characteristics of any such alternative, successor or replacement rate will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, Term CORRA, Daily Compounded CORRA, Daily Simple SOFR, Term SOFR or any other benchmark prior to its discontinuance or unavailability. The Bank and its affiliates or other related entities may engage in transactions that affect the calculation of the Prime Rate, Term CORRA, Daily Compounded CORRA, Daily Simple SOFR, Term SOFR, any alternative, successor or replacement rate or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Bank may select information sources or services in its reasonable discretion to ascertain Term CORRA, Daily Compounded CORRA Daily Simple SOFR, Term SOFR or any other benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

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### **3. INTEREST CALCULATION AND PAYMENT**

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days for which the subject loan is outstanding. Interest is charged on February 29 in a leap year.

Interest on Daily Compounded CORRA Loans and Daily Simple SOFR Loans is calculated daily (including February 29 in a leap year) and payable on the interest payment date in arrears based on the number of days the subject loan is outstanding unless otherwise provided in a notice provided by the Bank to the Borrower. Interest is charged on February 29 in a leap year.

Interest on Term SOFR Loans and Term CORRA Loans is calculated and payable at the end of the interest rate period in arrears, for the number of days in the Term SOFR or Term CORRA interest period, as applicable. Interest is charged on February 29 in a leap year.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied to any indebtedness or amounts owing in any order at the sole discretion of the Bank.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at the Bank's standard rate charged from time to time for overdrafts, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

#### **4. DRAWDOWN PROVISIONS**

##### **Prime Based and USBR Loans**

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in this Agreement. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan over \$1,000,000.

##### **Daily Compounded CORRA Loans and Daily Simple SOFR Loans**

Except as otherwise stated in this Agreement or agreed to by the Bank, the minimum amount of a drawdown by way of Daily Compounded CORRA Loans is CAD\$1,000,000 and the minimum amount of a drawdown by way of Daily Simple SOFR Loans is USD\$1,000,000. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Daily Compounded CORRA Loan and Daily Simple SOFR Loan.

##### **Term SOFR Loans and Term CORRA Loans**

Except as otherwise stated in this Agreement or agreed to by the Bank, the minimum amount of a drawdown by way of Term CORRA Loans is CAD\$1,000,000 and the minimum amount of a drawdown by way of Term Simple SOFR Loans is USD\$1,000,000. The Borrower shall advise the Bank of the requested interest rate period for a Term SOFR Loan or Term CORRA Loan. The Borrower will provide the Bank with 3 Business Days' notice of a requested Term SOFR Loan or a Term CORRA Loan.

For purposes of certainty, Term CORRA Loans and Term SOFR Loans, are not committed term facilities and are uncommitted, repayable on demand and cancellable at any time in the Bank's sole discretion. The reference to "Term" in Term CORRA Loans and Term SOFR Loans refers to the applicable benchmark interest rate.

##### **L/C and/or L/G**

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

##### **Term SOFR and Term CORRA - Roll Over / Conversion**

The Borrower will advise the Bank at least 3 Business Days prior to the maturity of an interest rate period for a Term CORRA Loan or Term SOFR Loan whether the Term CORRA Loan or Term SOFR Loan will be (i) rolled over for an additional interest rate period of the same duration or (ii) converted to another borrowing option under this Agreement. If the Borrower fails to do so, the Term CORRA Loan or Term SOFR Loan will automatically be converted to a Prime Based Loan for Term CORRA Loans or USBR Loan for Term SOFR Loans at the end of the interest rate period.

**SOFR and CORRA– Market Disruption, Benchmark Cessation**

Without limiting or otherwise impacting the demand and uncommitted nature of the Facility, if the Bank determines, in its sole discretion, that (i) a normal market in Canada for the making of Term CORRA Loans, Daily Compounded CORRA Loans, Daily Simple SOFR Loans or Term SOFR Loans does not exist, (ii) Term CORRA, Daily Compounded CORRA, Daily Simple SOFR or Term SOFR cannot be determined in accordance with the definition thereof on any given day, or (iii) a Benchmark Replacement Date has occurred with respect to Term CORRA, Daily Compounded CORRA, Daily Simple SOFR or Term SOFR, the ability of the Borrower to request a drawdown (including any rollover or conversion) under the applicable borrowing option shall be suspended until the Bank advises otherwise. At the Bank's sole discretion, any such drawdown (including any rollover or conversion) request during the suspension period for (i) Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, shall be deemed to be a drawdown notice requesting a Prime Based Loan in an equivalent amount, or (ii) Term SOFR Loans or Daily Simple SOFR Loans shall be deemed to be a drawdown notice requesting a USBR Loan in an equivalent amount.

**Cash Management**

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Facility to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Facility even if the drawdown results in amounts outstanding in excess of the Credit Limit.

**5. STANDARD DISBURSEMENT CONDITIONS**

The Bank shall have received the following documents which should be in form and substance satisfactory to the Bank:

1. a copy of a duly executed resolution of the Borrower's Board of Directors empowering the Borrower to enter ~~into this Agreement;~~
2. all of the Bank Security and supporting resolutions and solicitors' letters of opinion required under this Agreement;
3. all operation of account documentation;
4. a completed Environmental Questionnaire and/or if requested by the Bank, an audit inspection report from auditors or inspectors acceptable to the Bank;
5. for drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit indemnity Agreement; and
6. a copy of any necessary or desirable government approvals authorizing the Borrower to enter into this Agreement.

**6. STANDARD REPRESENTATIONS AND WARRANTIES**

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be repeated each day hereafter, that:

1. The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.

2. There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.
3. No event of default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an event of default under any other agreement for borrowed money.
4. There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
5. All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.
6. The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.
7. All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and workers' compensation dues are currently paid and up to date.
8. If the Bank Security includes a charge on real property, the Borrower or Guarantor, as applicable, is the legal and beneficial owner of the real property with good and marketable title in fee simple thereto, free from all easements, rights-of-way, agreements, restrictions, mortgages, liens, executions and other encumbrances, save and except for those approved by the Bank in writing.
9. All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
  - i. the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
  - ii. the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
  - iii. the Borrower's ownership, control and structure.

## **7. STANDARD POSITIVE COVENANTS**

In addition to all of the other obligations in this Agreement the Borrower will:

- (i) pay all amounts outstanding to the Bank when due or demanded,
- (ii) maintain its existence as a sole proprietorship, corporation, partnership or limited partnership, as the case may be, and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect,
- (iii) pay all taxes,
- (iv) maintain its property, plant and equipment in good repair and working condition,
- (v) continue to carry on the business now being carried on,
- (vi) maintain adequate insurance on all of its assets, undertakings, and business risks,
- (vii) permit the Bank and its authorized representatives full access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom, and
- (viii) comply with all applicable laws.

### **8. STANDARD NEGATIVE COVENANTS**

The Borrower will not:

- (i) create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its property, now owned or hereafter acquired except for those Permitted Liens set out in the Letter.
- (ii) merge or amalgamate with any other entity or permit any change of ownership or change its capital structure, and
- (iii) sell, lease, assign, or otherwise dispose of all or substantially all of its assets.

Compliance by the Borrower with these Positive Covenants and Negative Covenants shall not automatically entitle the Borrower to the continued availability of the Facility and shall not restrict or limit the Bank's ability to demand repayment of all or any part of amounts outstanding under the Facility.

### **9. ADDITIONAL INFORMATION AND SECURITY**

The Borrower will provide, or cause to be provided, whatever information the Bank may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty made in paragraph 8 of the above Section 6. The Borrower will provide, or cause to be provided, any security or guarantees required by the Bank from time to time.

### **10. INDEMNITY**

The Borrower agrees to indemnify the Bank from and against any and all claims, losses and liabilities arising or ~~resulting from this Agreement. USD loans must be repaid with USD and CAD loans must be repaid with CAD~~ and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD loans are repaid with CAD or vice versa, whether such payment is made pursuant to an order of a court or otherwise. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement.

### **11. TAXATION ON PAYMENTS**

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

### **12. FX CLOSE OUT**

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any

positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

### **13. ENVIRONMENTAL REPRESENTATION AND UNDERTAKINGS**

The Borrower represents, warrants and covenants (which representation, warranty and covenant shall continue each day hereafter) that its property and business is being operated in compliance with applicable environmental, health and safety laws and regulations and that there are no judicial or administrative proceedings in respect thereto.

The Borrower shall, when asked by the Bank, at the Borrower's expense, obtain and provide to the Bank an appraisal, environmental audit or inspection report of any of its property from appraisers, auditors or inspectors acceptable to the Bank.

The Borrower will defend, indemnify and hold harmless the Bank, its officers, directors, employees, agents and shareholders, against all loss, costs, claims, damages and expenses (including legal, audit and inspection expenses) which may be suffered or incurred in connection with the breach of this environmental representation, warranty and covenant and against environmental damage occasioned by the Borrower's activities or by contamination of or from any of the Borrower's property.

### **14. REPRESENTATION**

No representation or warranty or other statement made by the Bank concerning the Facility shall be binding on the Bank unless made by it in writing as a specific amendment to the Agreement.

### **15. BANK MAY CHANGE AGREEMENT**

The Bank may change the provisions of this Agreement from time to time. These changes include, without limitation, changes to the Credit Limit, interest rate, or fees payable by the Borrower. The Bank will notify the Borrower of any change in this Agreement by mail, hand delivery, electronic mail or facsimile transmission or for a change in any interest rates or interest rate definitions by posting a notice in all of the Bank's branches. The Bank is not required to notify a Guarantor of any change in the Agreement, including without limitation, any increase in the Credit Limit, Overdraft Limit or Loan Amount. If more than one Person signs this Agreement, communication with any one Person will serve as notice to all.

### **16. METHOD OF COMMUNICATION**

The Bank may communicate with the Borrower by ordinary, uninsured mail or other means, including hand delivery, electronic mail or facsimile transmission. Mailed information is deemed to be received by the Borrower five days after mailing. Delivered information is deemed to be received when delivered or left at the Borrower's address. Electronically delivered information is deemed to be received when sent. Messages sent by facsimile are deemed to be received when the Bank receives a fax confirmation.

### **17. EXPENSES**

The Borrower shall pay any fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration, ongoing administration, and discharge of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited to, any outside counsel expenses, and any in-house legal expenses (if in-house counsel are used), and any outside professional advisory fees and expenses, and any registration, renewal and discharge fees in connection with the Bank Security, including but not limited to, as applicable, land registry, intellectual property registry, Personal Property Security Act, and Le Registre des droits personnels et réels mobiliers fees as established by the applicable federal, provincial and/or territorial government(s) from time to time. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 24, the Bank or the Bank's agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including any registration, renewal and discharge fee as described in this section in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Facility.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

#### **18. NON WAIVER**

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

#### **19. EVIDENCE OF INDEBTEDNESS**

The Bank shall record on its records the amount of all advances made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the Borrower's indebtedness to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the indebtedness secured by the chattel mortgage.

#### **20. ENTIRE AGREEMENTS**

This Agreement replaces any previous agreements dealing specifically with the Facility. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement are the entire agreements relating to the Facility described in this Agreement.

#### **21. NON-MERGER**

Notwithstanding the execution, delivery or registration of the Bank Security and notwithstanding any advances made pursuant thereto, this Agreement shall continue to be valid, binding and enforceable and shall not merge as a result thereof. Any default under this Agreement shall constitute concurrent default under the Bank Security. Any default under the Bank Security shall constitute concurrent default under this Agreement. In the event of an inconsistency between the terms of this Agreement and the terms of the Bank Security, the terms of this Agreement shall prevail and the inclusion of any term in the Bank Security that is not dealt with in this Agreement shall not be an inconsistency.

#### **22. ASSIGNMENT**

The Bank may assign or grant participation in all or part of this Agreement or in any loan made hereunder without notice to and without the Borrower's consent.

The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement.

### **23. RELEASE OF INFORMATION**

The Borrower hereby irrevocably authorizes and directs its accountant, (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

### **24. SET-OFF**

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other person, any notice being expressly waived by the Borrower, set-off and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the Borrower's credit or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness under this Agreement to the indebtedness under this Agreement, the Bank will convert the deposit or other obligation to the currency of indebtedness under this Agreement using the exchange rate determined by the Bank at the time of the conversion.

### **25. SEVERABILITY**

In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, that part will be severed from this Agreement and will not affect the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

### **26. MISCELLANEOUS**

- i) The Borrower has received a signed copy of this Agreement;
- ii) If more than one person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them;
- iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;
- iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located.
- v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars.
- vi) If the Borrower qualifies as an Eligible Enterprise and the facility/ies hereunder are not secured by a mortgage on real property, the Borrower has the right to cancel this Agreement without incurring a cancellation charge until the end of the third Business Day after the day on which this Agreement is entered into and may be entitled to the refund of certain fees other than (i) any amounts related to the use of the product or service prior to its cancellation; and (ii) any expense that the Bank has reasonably incurred in providing the product or service. Eligible Enterprise, as defined in the Bank Act, means a business with authorized credit of less than CAD\$1,000,000, fewer than 500 employees and annual revenues of less than CAD\$50,000,000.

- vii) If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which such payment shall be due and payable. Notwithstanding the foregoing, if a payment with respect to a Term CORRA Loan, Daily Compounded CORRA Loan, Term SOFR Loan or Daily Simple SOFR Loan becomes due and payable on a day which is not a Business Day and the next succeeding Business Day is in a succeeding calendar month, the due date of such payment shall be the immediately preceding Business Day.

## **27. CUSTOMER RESOLUTION PROCESS**

Tell us about your problem or concern in the way that is most convenient for you. You may contact a Customer Service Representative at your Branch or Business Unit that handles your account, call us toll free at 1-833-259-5980, contact us by mail at Customer Service, TD Centre, P.O. Box 193, Toronto, Ontario, M5K 1H6, by fax at 1-877-983-2932 or by e-mail at [customer.service@td.com](mailto:customer.service@td.com). As a next step, if your concern remains unresolved, the Manager will offer to elevate your problem to a representative of the Senior Management Office. Alternatively, if you prefer to elevate the problem yourself, you may contact the Manager, or one of our telephone banking specialists at the toll-free number above, and they will assist you.

If your concern remains unresolved, you may contact the Senior Customer Complaints Office by email at [td.scco@td.com](mailto:td.scco@td.com), by mail at P.O. Box 1, TD Centre, Toronto, Ontario, M5K 1A2, or toll free at 1-888-361-0319. If your concern still remains unresolved, you may then contact the ADR Chambers Banking Ombuds Office (ADRBO) by mail at 31 Adelaide Street East, P.O. Box 1066, Toronto, Ontario, M5C 1K9 or telephone: 1-800-941-3655 or toll free fax: 1-877-307-5127 and at [www.bankingombuds.ca](http://www.bankingombuds.ca) or [contact@bankingombuds.ca](mailto:contact@bankingombuds.ca). For a more detailed overview please obtain a copy of our "If You Have a Problem or Concern" brochure from any branch or from our website at [www.td.com](http://www.td.com).

Financial Consumer Agency of Canada (FCAC) - If you have a complaint regarding a potential violation of a consumer protection law, a public commitment, or an industry code of conduct, you can contact the FCAC in writing at: 6th Floor, Enterprise Building, 427 Laurier Ave. West, Ottawa, Ontario K1R 1B9. The FCAC can also be contacted by telephone at 1-866-461-3222 (en français 1-866-461-2232) or through its website at [www.fscac.acfc.gc.ca](http://www.fscac.acfc.gc.ca). Please note that the FCAC does not become involved in matters of redress or compensation - all such requests must follow the process set out above.

## **28. CONSENT TO TD HANDLING OF YOUR PERSONAL INFORMATION AND PRIVACY POLICY**

In this Section 29 and elsewhere in this Agreement, where applicable, "you" and "your" means the Borrower and "we", "our" and "us" means the Bank.

**You consent to Our Privacy Policy.** You agree that the Bank (which includes The Toronto- Dominion Bank and affiliated companies) may handle your personal information as we set out in our Privacy Policy. You can find our Privacy Policy online at [td.com/privacy](http://td.com/privacy).

**You have choices.** The Privacy Policy outlines your options, where available, to refuse or withdraw your consent.

**Here is a summary of our Privacy Policy.**

***We collect, use, share and retain your information to:***

- Identify you
- Process your application
- Provide you ongoing service
- Communicate with you
- Personalize our relationship with you
- Improve TD products and services
- Protect against fraud, financial abuse and error
- Manage and assess our risks
- Meet legal and regulatory obligations

***We collect information (for the purposes set out above) from you and others including:***

- Payment card networks
- Lenders
- Insurers
- Fraud prevention agencies and registries
- Any other people you have allowed us to contact

- From your interactions with us, including on your mobile device or the internet, cameras at our property and records of your use of our products and services

***We may share your information (for the purposes set out above) with these parties. Some of them may be located outside your province/territory or outside Canada:***

- TD affiliates
- Fraud prevention agencies and registries
- Lenders
- Companies that we work with to provide products or services
- Insurers
- Payment card networks

***We retain your information:***

We keep your information for as long as we reasonably need it for the purposes set out above.

***We may communicate with you:***

We may communicate with you about your application. And about your existing and other products and services that may be of interest to you. We may contact you by mail, phone at the number(s) you have provided, text, email or other electronic methods. You can opt out of receiving offers or choose how we contact you for marketing campaign purposes. To do so, visit a TD branch or call us at 1-866-222-3456.

**Application of Privacy Policy to Related Parties**

If:

- a) there are changes to the signing authorities of the Borrower; or
- b) at the time of obtaining a product or service from us, the Borrower, if a corporation, has any individual who owns or controls, directly or indirectly, 25 per cent or more of the shares of the corporation, or has any director, where such individual or director is not, at such time, either a signing authority of the corporation or a personal banking customer of the Bank; or
- c) at the time of obtaining a product or service from us, the Borrower, if other than a corporation, has any individual who owns or controls, directly or indirectly, 25 per cent or more of the Borrower, where such individual is not, at such time, either a signing authority of the Borrower or a personal banking customer of the Bank;

then the Borrower agrees to make such signing authorities and any such individual or director aware of the Privacy Policy, advise them that they are subject to such policy and inform them that a copy of such policy is available at any TD Canada Trust branch or online at [td.com](http://td.com).

The above sections b) and c) shall not apply where the Borrower is a public body, or a corporation that has minimum net assets of \$75 million on its last audited balance sheet and whose shares are traded on a Canadian stock exchange or a stock exchange that is prescribed by section 3201 of the Income Tax Regulations, as may be amended from time to time, and operates in a country that is a member of the Financial Action Task Force.

**29. CONSENT TO THE COLLECTION AND/OR DISCLOSURE OF INFORMATION -- BORROWER (OTHER THAN AN INDIVIDUAL)**

In addition to any rights the Bank may have regarding the collection and disclosure of the Borrower's information, the Borrower authorizes the Bank to obtain information about the Borrower from, and disclose information about the Borrower to, TD, other lenders, credit reporting or credit rating agencies, credit bureaus, auditors, governmental and regulatory authorities, references provided by the Borrower and any supplier, agent or other party that performs services for the Borrower or for the Bank.

This is Exhibit "C" referred to in the Affidavit of Kathryn Furfaro sworn by Kathryn Furfaro of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on August 26, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

*Matthew Cressatti*

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



# General Security Agreement

TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: Hamilton Commercial Banking Centre, 100 King Street West, 4th Floor, Hamilton, ON L8P 1A2

Granted By: 1322297 Ontario Inc.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

## 1. Security Interest

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

## 2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

## 3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

*"Branch of the Bank"* means the branch of the Bank located at the address specified above.

*"Business Day"* means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

*"Control Agreement"* means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

*"Person"* means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

## 4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

## 5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;

- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (i) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distrain on the Collateral for arrears of rent.

#### 6. **Survival of Representations and Warranties and Covenants**

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

#### 7. **Performance of Covenants by The Bank**

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

#### 8. **Securities, Investment Property**

If Collateral at any time includes Securities, the Grantor authorizes the Bank to transfer all or any of such Securities into its own name or that of its nominee(s) so that the Bank or its nominee(s) may appear on record as the sole owner thereof; provided that, until default, the Bank shall deliver promptly to the Grantor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Grantor or its order a proxy to vote and take all action with respect to such Securities. After default, the Grantor waives all rights to receive any notices or communications received by the Bank or its nominee(s) as such registered owner and agrees that no proxy issued by the Bank to the Grantor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, the Bank may, at any time give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

#### 9. **Dealing with Security Interest**

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

**10. Deposits and Credit Balances**

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**11. Events of Default**

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

**12. Remedies**

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
  - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
  - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
  - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
  - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
  - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
  - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
  - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
  - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
  - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
  - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or

expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

### 13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

### 14. Miscellaneous

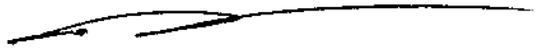
- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 17<sup>th</sup> day of August, 2018.

1322297 ONTARIO INC.

Per:   
(authorized signature) Karen Johanna Putman  
President and Treasurer

Per:   
(authorized signature) Robert Wynne Putman  
Secretary

Signature:

Witness as to execution

Name:

[Address of Grantor]

Signature:

Name:

[Address of Grantor]

**SCHEDULE "A"**

**DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS**

**QUANTITY**

**DESCRIPTION**

**SERIAL NUMBER**

**LOCATION OF COLLATERAL**

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

66 South Street, Dundas, ON L9H 4C7

1430 Cormorant Road, Ancaster, ON L9G 4V5

**SPECIFIED COLLATERAL (Ontario only)**

Quota/Licence No. \_\_\_\_\_ issued by \_\_\_\_\_ (including any successor marketing board or licencing authority in respect of marketing or setting prices for the same commodity, their successors and assigns, in each case called the "Board") and proceeds therefrom.

**Additional Covenants of Customer Applicable to Above Collateral:**

1. By executing this Agreement, Grantor has granted an assignment to the Bank of any and all rights of the Grantor in and to the above quota/licence, any amendments, substitutions, additions or supplements thereto, and any proceeds thereof.
2. Grantor agrees to maintain all of the above quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board issuing such quota/licence.
3. Grantor agrees not to apply to the Board for the transfer of the above quota/licence, in whole or in part, without the prior written consent of the Bank.
4. The security and/or rights hereby granted shall extend to and include all present and future acquired quota/licence rights issued by the Board to the Grantor, whether issued under the above quota/licence number or under any other such number.

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The President and the Secretary are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of 1322297 Ontario Inc.  
on the 17<sup>th</sup> day of August, 2018 and that the said Resolution is now in full force and effect.

  
Secretary C/S

This is Exhibit “D” referred to in the Affidavit of Kathryn Furfaro sworn by Kathryn Furfaro of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on August 26, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

*Matthew Cressatti*

DA70363421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



## General Security Agreement

TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: 2512

Granted By: 1322297 Ontario Inc.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

### 1. Security Interest

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

## 2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

## 3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

"Branch of the Bank" means the branch of the Bank located at the address specified above.

"Business Day" means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

"Control Agreement" means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

"Person" means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

## 4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

## 5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;

- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral ~~other than Real Property~~ not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (l) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distraint on the Collateral for arrears of rent.

## 6. Survival of Representations and Warranties and Covenants

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

## 7. Performance of Covenants by The Bank

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

## 8. Securities, Investment Property

If Collateral at any time includes Securities, the Grantor authorizes the Bank to transfer all or any of such Securities into its own name or that of its nominee(s) so that the Bank or its nominee(s) may appear on record as the sole owner thereof; provided that, until default, the Bank shall deliver promptly to the Grantor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Grantor or its order a proxy to vote and take all action with respect to such Securities. After default, the Grantor waives all rights to receive any notices or communications received by the Bank or its nominee(s) as such registered owner and agrees that no proxy issued by the Bank to the Grantor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, the Bank may, at any time give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

## 9. Dealing with Security Interest

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

**10. Deposits and Credit Balances**

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**11. Events of Default**

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

**12. Remedies**

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
  - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be deemed to be a mortgagee in possession by virtue of any such actions;
  - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
  - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
  - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
  - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
  - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
  - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
  - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
  - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
  - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or

expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

### 13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

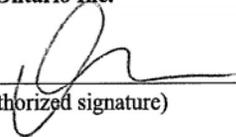
### 14. Miscellaneous

- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 31st day of October, 2022 .

1322297 Ontario Inc.

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

[Address of Grantor]

\_\_\_\_\_  
Witness as to execution

This is Exhibit "E" referred to in the Affidavit of Kathryn Furfaro sworn by Kathryn Furfaro of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on August 26, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF  
1322297 ONTARIO INC.  
(the "Corporation")**

**WHEREAS:**

- A. The Corporation has the power and capacity to give a guarantee on behalf of the Corporation to secure performance of an obligation of any person and to mortgage, hypothecate, pledge or otherwise create a security interest in all or any of the real and personal property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation;
- B. 2339816 Ontario Limited (the "**Borrower**") has executed and delivered a demand operating facility agreement dated February 28, 2022 (as same may be amended, modified or restated from time to time, the "**Facility Agreement**") between the Borrower and The Toronto-Dominion Bank (the "**Lender**"), whereby the Lender will establish credit facilities in favour of the Borrower;
- C. Pursuant to the terms of the Facility Agreement, the Corporation is required to guarantee the obligations of the Borrower to the Lender; and
- D. The Corporation has agreed to grant to the Lender certain general security for the present and future indebtedness and liabilities of the Corporation to the Lender pursuant to the Facility Agreement.

**RESOLVED THAT:**

1. The Corporation be and it is hereby authorized to guarantee in favour of the Lender the obligations of the Borrower to the Lender upon and subject to the terms and conditions contained in the form of guarantee agreement presented to the directors (the "**Guarantee**").
2. As general and continuing collateral security for the performance of all obligations, both present and future, contingent or otherwise, of the Corporation owed to the Lender, the Corporation be and it is hereby authorized to:
  - (a) mortgage and charge the property and assets of the Corporation as more particularly described in and upon and subject to the terms and conditions set forth in the form of general security agreement presented to the directors (the "**General Security Agreement**");
3. Any officer or director of the Corporation is hereby authorized:
  - (a) to execute (under corporate seal or otherwise) and deliver the Facility Agreement, the Guarantee, the General Security Agreement, all other documents, instruments, agreements, security, statutory declarations and writings required in connection with or contemplated by any of the foregoing as may be necessary to consummate

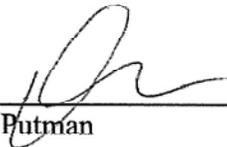
the transactions contemplated herein (collectively, the “**Transaction Documents**”) in such form and containing such terms and conditions as such officer, director or authorized signing officer executing the same may approve, with such alterations, additions, amendments and deletions as such officer or director executing the same may approve (such approval to be conclusively deemed to be proved by the execution and delivery thereof); and

- (b) to do all such acts and things as he or she may, in his or her discretion, consider necessary, advisable or desirable in connection with or as contemplated by or for the purpose of giving effect to or carrying out the provisions of the Transaction Documents and this resolution and the execution and delivery of any such Transaction Documents and taking of any such actions in accordance with this section shall be conclusive evidence of such determination.
4. All acts performed and any documents executed, delivered, filed or registered prior to the date of this resolution by the director or officers of the Corporation on behalf of the Corporation or any authorized person pursuant to this resolution, acting for and on behalf of the Corporation, relating to matters dealt with in this resolution be and are hereby approved, ratified and confirmed.
  5. This resolution may be executed in several counterparts, which together shall constitute one and the same resolution. This resolution may be executed by facsimile or electronic transmission in portable document format (“**PDF**”) and the delivery of an executed counterpart copy of this resolution by facsimile or PDF shall be deemed to be the equivalent of the delivery of an originally executed counterpart copy thereof.
  6. The foregoing resolution is hereby consented to by the directors of the Corporation pursuant to the provisions of the *Business Corporations Act* (Ontario).

**[Signature Page Follows]**

**DATED** as of this 31<sup>st</sup> day of October, 2022.

  
\_\_\_\_\_  
Karen Putman

  
\_\_\_\_\_  
Robert Putman

33634473.2

This is Exhibit "F" referred to in the Affidavit of Kathryn Furfaro sworn by Kathryn Furfaro of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on August 26, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

*Matthew Cressatti*

DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**

# Enquiry Result

File Currency: 24AUG 2025

Show All Pages

All Pages

**Note: All pages have been returned.**

Type of Search	Business Debtor						
Search Conducted On	1322297 ONTARIO INC.						
File Currency	24AUG 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	660001311	1	11	1	29	23MAR 2026	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
660001311		001	1		20100323 1456 1793 3675	P PPSA	11

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	1322297 ONTARIO INC.			
Address		City	Province	Postal Code
1377 CORMORANT ROAD		ANCASTER	ONT	L9G4V5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
Address		City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	ROYNAT INC.			
Address		City	Province	Postal Code
5500 NORTH SERVICE ROAD SUITE 207		BURLINGTON	ONT	L7L6W6

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent

Registering Agent

DocuSign Envelope ID: C23A5AE0-6DEF-43B0-9D62-7F67DAC7FE0D

	Address	City	Province	Postal Code
	1 HUNTER STREET EAST, SUITE 200	HAMILTON	ON	L8N3W1

CONTINUED

<b>Type of Search</b>	Business Debtor				
<b>Search Conducted On</b>	1322297 ONTARIO INC.				
<b>File Currency</b>	24AUG 2025				
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>
	660001311	1	11	2	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule Attached</b>	<b>Registration Number</b>	<b>Registered Under</b>
		01	002		20160720 1938 1531 8403	

<b>Record Referenced</b>	<b>File Number</b>	<b>Page Amended</b>	<b>No Specific Page Amended</b>	<b>Change Required</b>	<b>Renewal Years</b>	<b>Correct Period</b>
	660001311		X	A AMNDMNT		

<b>Reference Debtor/ Transferor</b>	<b>First Given Name</b>	<b>Initial</b>	<b>Surname</b>
	<b>Business Debtor Name</b>		
	1322297 ONTARIO INC.		

<b>Other Change</b>	<b>Other Change</b>

<b>Reason / Description</b>	<b>Reason / Description</b>
	CHANGE SECURED PARTY ADDRESS FROM 5500 NORTH SERVICE ROAD SUITE 207 BURLINGTON, ON L7L 6W6

<b>Debtor/ Transferee</b>	<b>Date of Birth</b>	<b>First Given Name</b>	<b>Initial</b>	<b>Surname</b>
	<b>Business Debtor Name</b>			<b>Ontario Corporation Number</b>
	<b>Address</b>		<b>City</b>	<b>Province</b> <b>Postal Code</b>

<b>Assignor Name</b>	<b>Assignor Name</b>

<b>Secured Party</b>	<b>Secured party, lien claimant, assignee</b>			
	ROYNAT INC.			
	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>
	5500 NORTH SERVICE RD. SUITE 650	BURLINGTON	ON	L7L 6W6

<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>

<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>	<b>Model</b>	<b>V.I.N.</b>

<b>General Collateral Description</b>	<b>General Collateral Description</b>

<b>Registering Agent</b>	<b>Registering Agent or Secured Party/ Lien Claimant</b>
	CANADIAN SECURITIES REGISTRATION SYSTEMS

**Address**

**City**

**Province**

**Postal Code**

4126 NORLAND AVENUE

BURNABY

BC

V5G 3S8

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	660001311	1	11	3	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		02	002		20160720 1938 1531 8403	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	660001311					

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		

Other Change	Other Change

Reason / Description	Reason / Description
	TO
	5500 NORTH SERVICE RD. SUITE 650
	BURLINGTON, ON L7L 6W6

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address		City	Province Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant

**Address**

**City**

**Province**

**Postal  
Code**

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CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	660001311	1	11	4	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		01	001		20210219 1443 1530 5845	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	660001311		X	B RENEWAL	5	

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		
	1322297 ONTARIO INC.		

Other Change	Other Change

Reason / Description	Reason / Description

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address		City	Province Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	CANADIAN SECURITIES REGISTRATION SYSTEMS

**Address**

**City**

**Province**

**Postal Code**

4126 NORLAND AVENUE

BURNABY

BC

V5G 3S8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	1322297 ONTARIO INC.						
File Currency	24AUG 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	682014348	2	11	5	29	09OCT 2027	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
682014348		001	1		20121009 1141 1793 1627	P PPSA	10

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	1322297 ONTARIO INC.			
	Address	City	Province	Postal Code
	65 BITTERN STREET	ANCATER	ONT	L9G4V6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	ROYNAT INC.			
	Address	City	Province	Postal Code
	SUITE 106 5500 NORTH SERVICE ROAD	BURLINGTON	ONT	L7L6W6

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	SIMPSONWIGLE LAW LLP (TB)			
	Address	City	Province	Postal Code
	1 HUNTER STREET EAST, SUITE 200	HAMILTON	ON	L8N3W1

CONTINUED

<b>Type of Search</b>	Business Debtor				
<b>Search Conducted On</b>	1322297 ONTARIO INC.				
<b>File Currency</b>	24AUG 2025				
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>
	682014348	2	11	6	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule Attached</b>	<b>Registration Number</b>	<b>Registered Under</b>
		01	002		20160812 1934 1531 2347	

<b>Record Referenced</b>	<b>File Number</b>	<b>Page Amended</b>	<b>No Specific Page Amended</b>	<b>Change Required</b>	<b>Renewal Years</b>	<b>Correct Period</b>
	682014348		X	A AMNDMNT		

<b>Reference Debtor/ Transferor</b>	<b>First Given Name</b>	<b>Initial</b>	<b>Surname</b>
	<b>Business Debtor Name</b>		
	1322297 ONTARIO INC.		

<b>Other Change</b>	<b>Other Change</b>

<b>Reason / Description</b>	<b>Reason / Description</b>
	CHANGE SECURED PARTY ADDRESS FROM SUITE 106 5500 NORTH SERVICE ROAD BURLINGTON, ON L7L 6W6

<b>Debtor/ Transferee</b>	<b>Date of Birth</b>	<b>First Given Name</b>	<b>Initial</b>	<b>Surname</b>
	<b>Business Debtor Name</b>			<b>Ontario Corporation Number</b>
	<b>Address</b>		<b>City</b>	<b>Province</b> <b>Postal Code</b>

<b>Assignor Name</b>	<b>Assignor Name</b>

<b>Secured Party</b>	<b>Secured party, lien claimant, assignee</b>			
	ROYNAT INC.			
	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>
	5500 NORTH SERVICE RD. SUITE 650	BURLINGTON	ON	L7L 6W6

<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>

<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>	<b>Model</b>	<b>V.I.N.</b>

<b>General Collateral Description</b>	<b>General Collateral Description</b>

<b>Registering Agent</b>	<b>Registering Agent or Secured Party/ Lien Claimant</b>
	CANADIAN SECURITIES REGISTRATION SYSTEMS

**Address**

**City**

**Province**

**Postal Code**

4126 NORLAND AVENUE

BURNABY

BC

V5G 3S8

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	682014348	2	11	7	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		02	002		20160812 1934 1531 2347	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	682014348					

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		

Other Change	Other Change

Reason / Description	Reason / Description
	TO
	5500 NORTH SERVICE RD. SUITE 650
	BURLINGTON, ON L7L 6W6

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address		City	Province Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant

**Address**

**City**

**Province**

**Postal  
Code**

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CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	682014348	2	11	8	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		01	001		20220719 1432 1530 6704	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	682014348		X	B RENEWAL	5	

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		
	1322297 ONTARIO INC.		

Other Change	Other Change

Reason / Description	Reason / Description

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address		City	Province Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description			

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	CANADIAN SECURITIES REGISTRATION SYSTEMS

**Address**

**City**

**Province**

**Postal Code**

4126 NORLAND AVENUE

BURNABY

BC

V5G 3S8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	1322297 ONTARIO INC.						
File Currency	24AUG 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	690563025	3	11	9	29	25SEP 2028	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
690563025		001	1		20130925 1416 1793 7374	P PPSA	10

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	1322297 ONTARIO INC.			
	Address	City	Province	Postal Code
	65 BITTERN STREET	ANCASTER	ONT	L9G4V5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	ROYNAT INC.			
	Address	City	Province	Postal Code
	40 KING STREET WEST SCOTIA PLAZA 26TH FL	TORONTO	ONT	M5H1H1

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	SIMPSONWIGLE LAW LLP (TB)			
	Address	City	Province	Postal Code
	1 HUNTER STREET EAST, SUITE 200	HAMILTON	ON	L8N3W1

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	690563025	3	11	10	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		01	002		20160819 1043 1529 7147	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	690563025		X	A AMNDMNT		

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		
	1322297 ONTARIO INC.		

Other Change	Other Change

Reason / Description	Reason / Description
	CHANGE SECURED PARTY ADDRESS FROM
	40 KING STREET WEST 26TH FLOOR
	TORONTO, ON M5H 1H1

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	ROYNAT INC.			
	Address	City	Province	Postal Code
	5500 NORTH SERVICE RD. SUITE 650	BURLINGTON	ON	L7L 6W6

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	CANADIAN SECURITIES REGISTRATION SYSTEMS

**Address**

**City**

**Province**

**Postal Code**

4126 NORLAND AVENUE

BURNABY

BC

V5G 3S8

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	690563025	3	11	11	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		02	002		20160819 1043 1529 7147	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	690563025					

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		

Other Change	Other Change

Reason / Description	Reason / Description
	TO
	5500 NORTH SERVICE RD. SUITE 650
	BURLINGTON, ON L7L 6W6

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address		City	Province Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant

**Address**

**City**

**Province**

**Postal  
Code**

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CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	690563025	3	11	12	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		01	001		20230622 1732 1531 5209	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	690563025		X	B RENEWAL	5	

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		
	1322297 ONTARIO INC.		

Other Change	Other Change

Reason / Description	Reason / Description

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address		City	Province Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	CANADIAN SECURITIES REGISTRATION SYSTEMS

**Address**

**City**

**Province**

**Postal Code**

4126 NORLAND AVENUE

BURNABY

BC

V5G 3S8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	1322297 ONTARIO INC.						
File Currency	24AUG 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	700881858	4	11	13	29	22OCT 2028	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
700881858		001	1		20141022 1059 6083 8829	P PPSA	9

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	1322297 ONTARIO INC.			
	Address	City	Province	Postal Code
	35 BITTERN STREET	ANCASTER	ON	L9G 4V5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	ROYNAT INC.			
	Address	City	Province	Postal Code
	40 KING STREET WEST 26TH FLOOR	TORONTO	ON	M5H 1H1

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	SIMPSONWIGLE LAW LLP			
	Address	City	Province	Postal Code
	1 HUNTER STREET EAST SUITE 200	HAMILTON	ON	L8N 3W1

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	700881858	4	11	14	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		01	002		20160818 1940 1531 7059	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	700881858		X	A AMNDMNT		

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		
	1322297 ONTARIO INC.		

Other Change	Other Change

Reason / Description	Reason / Description
	CHANGE SECURED PARTY ADDRESS FROM 40 KING STREET WEST 26TH FLOOR TORONTO, ON M5H 1H1

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	ROYNAT INC.			
	Address		City	Province Postal Code
	5500 NORTH SERVICE RD. SUITE 650		BURLINGTON	ON L7L 6W6

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	CANADIAN SECURITIES REGISTRATION SYSTEMS

**Address**

**City**

**Province**

**Postal Code**

4126 NORLAND AVENUE

BURNABY

BC

V5G 3S8

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	700881858	4	11	15	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		02	002		20160818 1940 1531 7059	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	700881858					

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		

Other Change	Other Change

Reason / Description	Reason / Description
	TO
	5500 NORTH SERVICE RD. SUITE 650
	BURLINGTON, ON L7L 6W6

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address		City	Province Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant

**Address**

**City**

**Province**

**Postal  
Code**

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CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	700881858	4	11	16	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		01	001		20230629 1750 1531 5372	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	700881858		X	B RENEWAL	5	

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		
	1322297 ONTARIO INC.		

Other Change	Other Change

Reason / Description	Reason / Description

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address		City	Province Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	CANADIAN SECURITIES REGISTRATION SYSTEMS

**Address**

**City**

**Province**

**Postal Code**

4126 NORLAND AVENUE

BURNABY

BC

V5G 3S8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	1322297 ONTARIO INC.						
File Currency	24AUG 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	703755522	5	11	17	29	23FEB 2029	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
703755522		001	1		20150223 0946 6083 1434	P PPSA	9

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	1322297 ONTARIO INC.				
	Address		City	Province	Postal Code
	65 BITTERN STREET		ANCASTER	ON	L9G 4V5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname	
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	EVEREST WHOLESALE				
	Address		City	Province	Postal Code
	65 BITTERN STREET		ANCASTER	ON	L9G 4V5

Secured Party	Secured Party / Lien Claimant				
	ROYNAT INC.				
	Address		City	Province	Postal Code
	40 KING STREET WEST 26TH FLOOR		TORONTO	ON	M5H 1H1

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent				
	SIMPSONWIGLE LAW LLP				
	Address		City	Province	Postal Code
	1 HUNTER STREET EAST SUITE 200		HAMILTON	ON	L8N 3W1

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	703755522	5	11	18	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		01	002		20160816 1439 1530 2239	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	703755522		X	A AMNDMNT		

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		
	1322297 ONTARIO INC.		

Other Change	Other Change

Reason / Description	Reason / Description
	CHANGE SECURED PARTY ADDRESS FROM
	40 KING STREET WEST 26TH FLOOR
	TORONTO, ON M5H 1H1

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	ROYNAT INC.			
	Address	City	Province	Postal Code
	5500 NORTH SERVICE RD. SUITE 650	BURLINGTON	ON	L7L 6W6

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	CANADIAN SECURITIES REGISTRATION SYSTEMS

**Address**

**City**

**Province**

**Postal Code**

4126 NORLAND AVENUE

BURNABY

BC

V5G 3S8

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	703755522	5	11	19	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		02	002		20160816 1439 1530 2239	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	703755522					

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		

Other Change	Other Change

Reason / Description	Reason / Description
	TO
	5500 NORTH SERVICE RD. SUITE 650
	BURLINGTON, ON L7L 6W6

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address		City	Province Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant

**Address**

**City**

**Province**

**Postal  
Code**

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CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	703755522	5	11	20	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		01	001		20231025 1042 1529 6655	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	703755522		X	B RENEWAL	5	

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		
	1322297 ONTARIO INC.		

Other Change	Other Change

Reason / Description	Reason / Description

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address		City	Province Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	CANADIAN SECURITIES REGISTRATION SYSTEMS

**Address**

**City**

**Province**

**Postal Code**

4126 NORLAND AVENUE

BURNABY

BC

V5G 3S8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	1322297 ONTARIO INC.						
File Currency	24AUG 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	714773097	6	11	21	29	15MAR 2026	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
714773097		001	1		20160315 1451 6083 0771	P PPSA	10

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	1322297 ONTARIO INC.			
	Address	City	Province	Postal Code
	65 BITTERN STREET	ANCASTER	ON	L9G 4V5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	EVEREST WHOLESALE			
	Address	City	Province	Postal Code
	65 BITTERN STREET	ANCASTER	ON	L9G 4V5

Secured Party	Secured Party / Lien Claimant			
	ROYNAT INC.			
	Address	City	Province	Postal Code
	40 KING STREET WEST 26TH FLOOR	TORONTO	ON	M5H 1H1

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	SIMPSONWIGLE LAW LLP			
	Address	City	Province	Postal Code
	1 HUNTER STREET EAST SUITE 200	HAMILTON	ON	L8N 3W1

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	1322297 ONTARIO INC.						
File Currency	24AUG 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	742570299	7	11	22	29	10AUG 2030	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
742570299		001	1		20180810 1419 1590 6477	P PPSA	7

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	1322297 ONTARIO INC.			
	Address	City	Province	Postal Code
	1430 CORMORANT ROAD	ANCASTER	ON	L9G 4V5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	THE TORONTO-DOMINION BANK			
	Address	City	Province	Postal Code
	100 KING STREET WEST, 4TH FLOOR	HAMILTON	ON	L8P 1A2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	GOWLING WLG (CANADA) LLP - HAMILTON			
	Address	City	Province	Postal Code
	ONE MAIN STREET WEST	HAMILTON	ON	L8P 4Z5

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	1322297 ONTARIO INC.				
File Currency	24AUG 2025				
	File Number	Family	of Families	Page	of Pages
	742570299	7	11	23	29

**FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT**

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		001	1		20250630 0848 4085 5192	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	742570299			B RENEWAL	5	

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		
	1322297 ONTARIO INC.		

Other Change	Other Change

Reason / Description	Reason / Description

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address		City	Province Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	D + H LIMITED PARTNERSHIP

Address	City	Province	Postal Code
2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	1322297 ONTARIO INC.						
File Currency	24AUG 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	770009463	8	11	24	29	22FEB 2031	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
770009463		001	1		20210222 0942 6083 8460	P PPSA	10

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	1322297 ONTARIO INC.			
	Address	City	Province	Postal Code
	1430 CORMORANT ROAD	ANCASTER	ON	L9G 4V5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	ROYNAT INC.			
	Address	City	Province	Postal Code
	SUITE 200 1235 NORTH SERVICE ROAD WEST	OAKVILLE	ON	L6M 2W2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	SIMPSONWIGLE LAW LLP (TB)			
	Address	City	Province	Postal Code
	SUITE 200 1 HUNTER STREET EAST	HAMILTON	ON	L8N 3W1

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	1322297 ONTARIO INC.						
File Currency	24AUG 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	773214093	9	11	25	29	07JUN 2030	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
773214093		001	1		20210607 1210 6083 1423	P PPSA	9

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	1322297 ONTARIO INC.			
	Address	City	Province	Postal Code
	1430 CORMORANT DRIVE	ANCASTER	ON	L9G 4V5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	ROYNAT INC.			
	Address	City	Province	Postal Code
	1235 NORTH SERVICE ROAD SUITE 200	OAKVILLE	ON	L6M 2W2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	SIMPSONWIGLE LAW LLP (TB)			
	Address	City	Province	Postal Code
	1 HUNTER STREET EAST SUITE 200	HAMILTON	ON	L8N 3W1

END OF FAMILY

<b>Type of Search</b>	Business Debtor						
<b>Search Conducted On</b>	1322297 ONTARIO INC.						
<b>File Currency</b>	24AUG 2025						
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>
	775050318	10	11	26	29	03AUG 2026	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>
775050318		01	003		20210803 1934 1531 2792	P PPSA	5

<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>	<b>Initial</b>	<b>Surname</b>

<b>Business Debtor</b>	<b>Business Debtor Name</b>	<b>Ontario Corporation Number</b>
	1322297 ONTARIO INC.	
	<b>Address</b>	<b>City</b>
	1430 CORMORANT ROAD	ANCASTER
		<b>Province</b>
		ON
		<b>Postal Code</b>
		L9G 4V5

<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>	<b>Initial</b>	<b>Surname</b>

<b>Business Debtor</b>	<b>Business Debtor Name</b>	<b>Ontario Corporation Number</b>
	EVEREST WHOLESALE	
	<b>Address</b>	<b>City</b>
	1430 CORMORANT ROAD	ANCASTER
		<b>Province</b>
		ON
		<b>Postal Code</b>
		L9G 4V5

<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>
	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.
	<b>Address</b>
	3450 SUPERIOR COURT, UNIT 1
	<b>City</b>
	OAKVILLE
	<b>Province</b>
	ON
	<b>Postal Code</b>
	L6L 0C4

<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
			X	X	X	X			X

<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>	<b>Model</b>	<b>V.I.N.</b>
	2016	CROWN / RD5725-32		1A456195

<b>General Collateral Description</b>	<b>General Collateral Description</b>
	ALL PERSONAL PROPERTY OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE IDENTIFICATION NUMBER OR SERIAL NUMBER, AS APPLICABLE, WHEREVER SITUATED, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO,

<b>Registering Agent</b>	<b>Registering Agent</b>
	D+H LIMITED PARTNERSHIP
	<b>Address</b>
	SUITE 200, 4126 NORLAND AVENUE
	<b>City</b>
	BURNABY
	<b>Province</b>
	BC
	<b>Postal Code</b>
	V5G 3S8

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	1322297 ONTARIO INC.						
File Currency	24AUG 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	775050318	10	11	27	29	03AUG 2026	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
775050318		02	003		20210803 1934 1531 2792		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	1322297 ONTARIO INC.						
File Currency	24AUG 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	775050318	10	11	28	29	03AUG 2026	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
775050318		03	003		20210803 1934 1531 2792		

Individual Debtor	Date of Birth	First Given Name			Initial	Surname	
Business Debtor	Business Debtor Name					Ontario Corporation Number	
	Address			City	Province	Postal Code	

Individual Debtor	Date of Birth	First Given Name			Initial	Surname	
Business Debtor	Business Debtor Name					Ontario Corporation Number	
	Address			City	Province	Postal Code	

Secured Party	Secured Party / Lien Claimant						
	Address			City	Province	Postal Code	

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description								
	THEREFROM.								

Registering Agent	Registering Agent						
	Address			City	Province	Postal Code	

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	1322297 ONTARIO INC.						
File Currency	24AUG 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	785767149	11	11	29	29	12AUG 2027	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
785767149		001	1		20220812 1617 1793 5768	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	1322297 ONTARIO INC.			
	Address	City	Province	Postal Code
	1430 CORMORANT ROAD	ANCASTER	ON	L9G4V5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	THE TORONTO-DOMINION BANK			
	Address	City	Province	Postal Code
	100 KING STREET, 4TH FLOOR	HAMILTON	ON	L8P1A2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	AIRD & BERLIS LLP (173963)			
	Address	City	Province	Postal Code
	181 BAY STREET, SUITE 1800	TORONTO	ON	M5J2T9

LAST PAGE

**Note: All pages have been returned.**

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his is Exhibit "G" referred to in the Affidavit of Kathryn Furfaro sworn by Kathryn Furfaro of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on August 26, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

---

*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**

**SUBORDINATION AGREEMENT**

THIS AGREEMENT dated as of the [17] day of August, 2018.

B E T W E E N:

**THE TORONTO-DOMINION BANK**, a Canadian chartered bank, having a branch at 100 King Street West, 4th Floor, Hamilton, Ontario, L8P 1A2

(hereinafter referred to as the "Bank")

OF THE FIRST PART;

- and -

**ROYNAT INC.**, a corporation incorporated under the laws of Canada and having a place of business in the Province of Ontario at 5500 North Service Road, Suite 650, Burlington, ON

(hereinafter referred to as "Roynat")

OF THE SECOND PART;

- and -

**1322297 ONTARIO INC.**, a corporation incorporated under the laws of the Province of Ontario, having its chief executive office at 1430 Cormorant Road, Ancaster, ON L9G 4V5

(hereinafter referred to as "1322297")

OF THE THIRD PART;

- and -

**1979707 ONTARIO INC.**, a corporation incorporated under the laws of the Province of Ontario, having its chief executive office at 66 South Street Dundas, Ontario L9H 4C7

(hereinafter referred to as "1979707")

OF THE FOURTH PART;

WHEREAS 1322297 is or may become indebted or liable to the Bank, which indebtedness has been guaranteed by 1979707;

WHEREAS 1979707 is or may become indebted or liable to Roynat, which indebtedness has been guaranteed by 1322297;

WHEREAS any and all guarantees and security which may be held by the Bank now or hereafter on the property and assets of the Companies for their existing indebtedness or other obligations or any future indebtedness or other obligations of the Companies to the Bank are herein collectively referred to as the "Bank Security";

WHEREAS any and all guarantees and security which may be held by Roynat now or hereafter on the property and assets of the Companies for their existing indebtedness or other obligations or any future indebtedness or other obligations of the Companies to Roynat are herein collectively referred to as the "Roynat Security"; and

WHEREAS the parties hereto wish to enter into this Agreement in order to set out the respective priorities of the security issued to the Bank and Roynat in and to each Company's property and assets.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and other good and valuable consideration, the parties hereto hereby covenant, undertake, declare and agree as follows:

#### **ARTICLE 1 - DEFINITIONS**

1.1 In this Agreement the following terms have the following meanings:

- (a) "1322297 Collateral" means all property, assets and undertaking of 1322297 now owned or hereafter owned or acquired and all Proceeds thereof.
- (b) "1430 Cormorant Property" means all right, title and interest of 1979707 in the real property and building municipally known 1430 Cormorant Property, Ancaster, Ontario L9G 4V5 and all Proceeds thereof.
- (c) "1979707 Collateral" means, collectively, the 1430 Cormorant Property and all property, assets and undertaking of 1979707 now owned or hereafter owned or acquired and all Proceeds thereof.
- (d) "Bank Repayment Date" means the date following the repayment in full of all of the Bank indebtedness owed by 1322297 to the Bank and the cancellation of all credit facilities and other accommodation established by the Bank in favour of 1322297.
- (e) "Business Day" means a day on which the main branch of the Bank in Toronto, Ontario is open for normal banking business but in any event not including a Saturday or Sunday;
- (f) "Collateral" means, collectively, the 1322297 Collateral and the 1979707 Collateral.
- (g) "Companies" means, collectively, 1322297 and 1979707 and each of their respective successors and assigns, and "Company" means either of them as the context may require.
- (h) "Enforcement Action" means (i) to sue for payment of, or to initiate or participate with others in any suit, action or proceeding against either Company or other person to (A) enforce payment of or to collect the whole or any part of the indebtedness owing to either Roynat or the Bank, or (B) commence judicial enforcement of any of the rights and remedies under the documents relating to the indebtedness owing to either Roynat or the Bank or under applicable law, (ii) to take any action under the provisions of any applicable law, or under any security, contract or agreement, to enforce against, foreclose upon, appoint a Receiver over, take possession of or sell any property or assets of either Company, (iii) to make demand or accelerate the indebtedness owing to either the Bank or Roynat, (iv) to take from or for the account of either Company or other Person, by set-off or in any other manner, the whole or any part of any moneys which may now or hereafter be owing by such Company or other person to either the Bank or Roynat (other than any set-off or netting of accounts (including overdraft lines of credit) pursuant to any credit facility provided by way of overdraft under the Bank credit facilities or any multi account cash management service provided to 1322297 by the Bank), or (v) to enforce any put option or to cause either Company to honour any redemption or mandatory prepayment obligation under any document relating to the indebtedness owing to the Bank or Roynat. For greater certainty, Enforcement Action shall not include a demand made by the Bank or Roynat on either Company for the sole purpose of crystallizing the amount of any indebtedness owed to either the Bank or Roynat or for the sole purpose of proving its claim in any Proceeding.

- (i) "Proceeding" means with respect to either Company, any voluntary or involuntary insolvency, bankruptcy, receivership, custodianship, liquidation, dissolution, reorganization, assignment for the benefit of creditors, appointment of a custodian, receiver, trustee or other officer with similar powers or any other proceeding for the liquidation, dissolution or other winding up of such entity, whether under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or the *Winding-Up and Restructuring Act* (Canada), or any other bankruptcy or insolvency laws, or any laws relating to relief of debtors, readjustment of indebtedness or reorganization, composition or extension of indebtedness.
- (j) "Proceeds" means identifiable or traceable personal property in any form derived directly or indirectly from any dealing with the property and assets of either Company or the proceeds therefrom, including but not limited to any payment representing indemnity or compensation for loss or damage to, or expropriation of, any property and assets of either Company or proceeds therefrom, trade-ins, lease or sale proceeds and cash; and
- (k) "Receiver" means a receiver, a manager, a receiver and manager, an interim receiver appointed under the *Bankruptcy and Insolvency Act* (Canada), whether privately appointed or appointed by court order, any agent appointed by either the Bank or Roynat under its security to exercise all or any of the remedies thereunder, a trustee in bankruptcy or a liquidator.
- (l) "Roynat Repayment Date" means the date following the repayment in full of all of the Roynat Indebtedness owed by 1979707 to Roynat and the cancellation of all credit facilities established by Roynat in favour of 1979707.

#### **ARTICLE 2 - CONSENT**

- 2.1 The Bank hereby acknowledges its consent to the creation and issue by the Companies to Roynat of the Roynat Security and to the incurring by the Companies of the indebtedness evidenced or secured thereby and that the creation, issue, existence and incurring of the same does not constitute a default or event of default under the Bank Security.
- 2.2 Roynat hereby acknowledges its consent to the creation and issue by the Companies to the Bank of the Bank Security and to the incurring by the Companies of the indebtedness evidenced or secured thereby and that the creation, issue, existence and incurring of the same does not constitute a default or event of default under the Roynat Security.

#### **ARTICLE 3 - SUBORDINATION**

- 3.1 The Bank and Roynat agree that the Bank Security and the Roynat Security shall have the following priorities as against one another:
  - (a) in respect of the 1322297 Collateral, the Roynat Security is hereby postponed and subordinated in all respects to the security constituted by the Bank Security; and
  - (b) in respect of the 1979707 Collateral, the Bank Security is hereby postponed and subordinated in all respects to the security constituted by the Roynat Security.

Each of the Bank and Roynat hereby expressly, irrevocably and unconditionally subordinates its security to and in favour of the other's security to the extent necessary to give effect to the priorities referred to immediately above.

- 3.2 The subordinations and postponements contained herein shall apply in all events and circumstances regardless of:

- (a) the date of execution, attachment, registration or perfection of any security interest held by the Bank or Roynat; or
  - (b) the date of any advance or advances made to either Company by the Bank or Roynat; or
  - (c) the date of default by either Company under any of the Bank Security or the Roynat Security or the dates of crystallization of any floating charges held by the Bank or Roynat;
  - (d) any other matter which may affect the relative priorities of the indebtedness and/or the security; or
  - (e) any priority granted by any principle of law or any statute.
- 3.3 Any insurance proceeds received by the Companies or by the Bank or Roynat in respect of the Collateral charged by the Bank Security or the Roynat Security shall be dealt with according to the preceding provisions hereof as though such insurance proceeds were paid or payable as proceeds of realization of the collateral for which they compensate.
- 3.4 If any of the Bank Security or the Roynat Security is claimed by a trustee in bankruptcy, or found by a court of competent jurisdiction, to be unenforceable, invalid, unregistered or unperfected, then the foregoing provisions of this Article 3 shall not apply to such security to the extent that such security is so claimed or found to be unenforceable, invalid, unregistered or unperfected as against a third party unless the secured party shall be diligently contesting such claim or appealing such decision and has provided the other secured party with a satisfactory indemnity.
- 3.5 Each of the parties hereto shall permit any of the other parties hereto and their employees, agents and contractors, access at all reasonable times to any property and assets of the Companies upon which it has a prior charge or security interest in accordance with the terms hereof and to permit such other party to remove such property and assets from the premises of such Company at all reasonable times without interference, provided that such other party shall promptly repair any damage caused to the premises by the removal of any such property or assets.
- 3.6 Each of the Bank and Roynat agree that they will use their best efforts to give prompt written notice to the other secured party of any Enforcement Action against the Companies taken by them against the Companies to enforce their security. Such notice may be given prior to or forthwith after taking such action, but failure to give such notice shall not affect the priorities established by this Agreement nor shall it give the Bank or Roynat any cause of action or right to damages or other remedy against one another.
- 3.7 Subject to the provisions of this Section 3.7 and Roynat's prior right to possession and access to the 1430 Cormorant Property, Roynat hereby grants to the Bank, its agents and representatives (including any Receiver appointed by the Bank), the right and licence to enter upon and use for the purposes of (i) collecting receivables of 1322297, (ii) completing the processing of inventory of 1322297 and the sale of the same, and (iii) removing any of the 1322297 Collateral, in each case, for a period not to exceed ninety (90) days from the earlier of the date of commencement of an Enforcement Action by either the Bank or Roynat, as the case may be. The rights so granted to the Bank are subject to the following conditions, each of which must be complied with by both lenders:
- (a) within thirty (30) days of the commencement of an Enforcement Action of any of the Bank Security, the Bank shall give written notice to Roynat of its intention to exercise its rights hereunder;
  - (b) Roynat shall have the right to terminate the Bank's right to use the 1430 Cormorant Property as provided herein upon giving the Bank not less than thirty (30) days prior written notice;
  - (c) the Bank shall give Roynat not less than thirty (30) days prior written notice of its intention to vacate the 1430 Cormorant Property;

- (d) the Bank shall pay all applicable realty taxes, monthly principal and interest payments as then applicable and otherwise payable by 1979707, utility rates and similar charges arising out of the use of the 1430 Cormorant Property during the period of time that the Bank elects to have access to the premises pursuant to Section 3.7(a) above until it vacates such premises, and any payments made shall be apportioned on a per diem basis;
- (e) during such use period, the bank shall maintain the premises and exercise the same care as would a prudent owner thereof;
- (f) during the use period set out in this Section 3.7, Roynat may continue with its Enforcement Action against the 1979707 Collateral save and except that Roynat shall not grant any rights of possession to the 1430 Cormorant Property that would have the effect of frustrating the Bank's use and occupation of such premises; and
- (g) notwithstanding the foregoing, should Roynat determine that the condition of the 1430 Cormorant Property or any part thereof, is unsafe or will expose Roynat to risk of loss, including any environmental liability, Roynat may refuse to grant the Bank, its agents and representatives, the rights set forth above unless the Bank provides Roynat with an indemnity and, if appropriate, security satisfactory to Roynat, acting reasonably.

#### **ARTICLE 4 - COVENANTS OF COMPANIES**

4.1 Each Company hereby confirms to and agrees with the Bank and Roynat that:

- (a) so long as any of the indebtedness of such Company herein referred to remains outstanding, it shall stand possessed of its assets so charged for the Bank and for Roynat in accordance with their respective interests and priorities as herein set out;
- (b) none of the provisions of this Agreement create any rights in favour of either Company or affect the manner in which the Bank or Roynat or any receiver and manager appointed by them over the property, assets and undertaking of such Company exercises its rights under the Bank Security and the Roynat Security; and
- (c) each Company shall promptly provide the Bank or Roynat upon request with any information which either reasonably requests about the business and affairs of such Company.

#### **ARTICLE 5 – ENFORCEMENT STANDSTILL BY ROYNAT**

- 5.1 Until the Bank Repayment Date has occurred, whether or not any Proceeding has been commenced by or against the Companies, the Bank shall have the exclusive right (i) to take and continue any Enforcement Action with respect to 1322297 and the 1322297 Collateral in such order and manner as the Bank may determine in its sole discretion, and (ii) to refrain from taking or continuing any such Enforcement Action, in each case, without any consultation with or consent of Roynat.
- 5.2 Notwithstanding anything contrary in this Agreement, until the date following the Bank Repayment Date, Roynat shall not, without the prior written consent of the Bank, which may be withheld in its sole and absolute discretion, take any Enforcement Action whatsoever against 1322297 save and except that Roynat may (i) file a proof of claim or attend and vote at a meeting of creditors in connection with any action, suit or proceeding whether under the *Bankruptcy and Insolvency Act* (Canada) or otherwise provided any such vote shall not be used adverse in interest to the Bank, (ii) take action that is required to preserve the validity, efficacy or priority of the Roynat indebtedness, or (iii) give notice of a default under the Roynat Security.
- 5.3 Notwithstanding Section 5.2 above, if an event of default under the Roynat Security has occurred and is continuing, Roynat shall have the right to issue a notice to the Bank (an "Enforcement Action Request Notice")

requesting the Bank to take and continue an Enforcement Action within a period of ninety (90) days from the receipt of the Enforcement Action Request Notice by the Bank, failing which, subject to the application of Proceeds required under this Agreement, Roynat may take and continue an Enforcement Action against 1322297 and the 1322297 Collateral in respect of the indebtedness owed by 1979707 to Roynat in such order and manner as it may so determine in its sole discretion, provided there shall have occurred and be continuing at all times during such period of ninety (90) days or greater an event of default under the Roynat Security (which has not been waived or cured in accordance with the Roynat Security).

- 5.4 Notwithstanding anything contained herein, until the Bank Repayment Date has occurred, any Receiver appointed by the Bank or by a court of competent jurisdiction shall be entitled to exclusive possession, custody and control of the 1322297 Collateral or any applicable portion thereof. If Roynat appoints a Receiver of 1322297 or over any of the 1322297 Collateral and thereafter the Bank appoints a Receiver of 1322297 or over the 1322297 Collateral, Roynat shall terminate the appointment of its Receiver upon request by the Bank. If the Bank makes application to a court of competent jurisdiction for a court-appointed receiver in respect of the 1322297 Collateral, then the Roynat agrees that it shall not challenge, obstruct, delay or otherwise interfere with the application proceedings.

#### **ARTICLE 6 – ENFORCEMENT STANDSTILL BY THE BANK**

- 6.1 Until the Roynat Repayment Date has occurred, whether or not any Proceeding has been commenced by or against the Companies, Roynat shall have the exclusive right (i) to take and continue any Enforcement Action with respect to 1979707 and the 1979707 Collateral in such order and manner as Roynat may determine in its sole discretion, and (ii) to refrain from taking or continuing any such Enforcement Action, in each case, without any consultation with or consent of the Bank.
- 6.2 Notwithstanding anything contrary in this Agreement, until the date following the Roynat Repayment Date, the Bank shall not, without the prior written consent of Roynat, which may be withheld in its sole and absolute discretion, take any Enforcement Action whatsoever against 1979707 save and except that the Bank may (i) file a proof of claim or attend and vote at a meeting of creditors in connection with any action, suit or proceeding whether under the *Bankruptcy and Insolvency Act* (Canada) or otherwise provided any such vote shall not be used adverse in interest to Roynat, (ii) take action that is required to preserve the validity, efficacy or priority of the Bank indebtedness, or (iii) give notice of a default under the Bank Security.
- 6.3 Notwithstanding Section 6.2 above, if demand is made by the Bank or a default or an event of default under the Bank Security has occurred and is continuing, the Bank shall have the right to issue a notice to Roynat (an "Enforcement Action Request Notice") requesting Roynat to take and continue an Enforcement Action within a period of ninety (90) days from the receipt of the Enforcement Action Request Notice by Roynat, failing which, subject to the application of Proceeds required under this Agreement, the Bank may take and continue an Enforcement Action against 1979707 and the 1979707 Collateral in respect of the indebtedness owed by 1322297 to the Bank in such order and manner as it may so determine in its sole discretion, provided there shall have occurred and be continuing at all times during such period of ninety (90) days or greater an event of default under the Bank Security (which has not been waived or cured in accordance with the Bank Security).
- 6.4 Notwithstanding anything contained herein, until the Roynat Repayment Date has occurred, any Receiver appointed by Roynat or by a court of competent jurisdiction shall be entitled to exclusive possession, custody and control of the 1979707 Collateral or any applicable portion thereof. If the Bank appoints a Receiver of 1979707 or over any of the 1979707 Collateral and thereafter Roynat appoints a Receiver of 1979707 or over the 1979707 Collateral, the Bank shall terminate the appointment of its Receiver upon request by Roynat. If Roynat makes application to a court of competent jurisdiction for a court-appointed receiver in respect of the 1979707 Collateral, then Bank agrees that it shall not challenge, obstruct, delay or otherwise interfere with the application proceedings.

- 6.5 The Companies waive any right to claim, and agree not to claim in any legal proceeding arising out of this Agreement or otherwise that as a result of Article 5 or this Article 6 or any other provision of this Agreement, the exercise by either the Bank or Roynat of any of their respective rights and remedies under their respective security or under applicable law for the enforcement of payment of the Bank indebtedness or the Roynat indebtedness has been waived, or is untimely, or is otherwise not commercially reasonable.

#### **ARTICLE 7 – APPLICATION OF PROCEEDS**

- 7.1 Notwithstanding any provision to the contrary, all Proceeds received by either the Bank or Roynat in connection with the 1322297 Collateral shall be paid, applied and distributed, without duplication, as follows:
- (a) *first*, on account of the costs and expenses of the sale, collection and realization of the Bank Security including the costs and expenses incurred by the Bank and its respective agents, representatives, advisors and appraisers, or by any Receiver appointed by the Bank, and including the legal fees and disbursements incurred by the Bank or any Receiver appointed by its and all accounting, consulting and professional fees, costs and expenses;
  - (b) *second*, on account of all principal, interest and other amounts due and/or owing to the Bank to the repayment of the Bank indebtedness until indefeasible repaid in full;
  - (c) *third*, on account of all principal, interest and other amounts due and/or owing to Roynat to the repayment of the Roynat indebtedness until repaid in full; and
  - (d) *fourth*, unless otherwise required by law, to the applicable Company.
- 7.2 Notwithstanding any provision to the contrary, all Proceeds received by either Roynat or the Bank in connection with the 1979707 Collateral shall be paid, applied and distributed, without duplication, as follows:
- (a) *first*, on account of the costs and expenses of the sale, collection and realization of the Roynat Security including the costs and expenses incurred by Roynat and its respective agents, representatives, advisors and appraisers, or by any Receiver appointed by Roynat, and including the legal fees and disbursements incurred by Roynat or any Receiver appointed by its and all accounting, consulting and professional fees, costs and expenses;
  - (b) *second*, on account of all principal, interest and other amounts due and/or owing to Rpyant to the repayment of the Roynat indebtedness until indefeasible repaid in full;
  - (c) *third*, on account of all principal, interest and other amounts due and/or owing to the Bank to the repayment of the Bank indebtedness until repaid in full; and
  - (d) *fourth*, unless otherwise required by law, to the applicable Company.
- 7.3 Each of the Bank and Roynat acknowledge, confirm and agree that to the extent that either lender receives any Proceeds from the realization or disposition of Collateral which are payable to the other lender pursuant to this Agreement, such Proceeds shall be deemed to be received or held by such lender in trust for the other lender and paid in accordance with the terms of this Agreement.

#### **ARTICLE 8 - GENERAL**

- 8.1 From time to time upon request therefor the Bank and Roynat may advise each other of any information which it may have relating to the affairs of the Companies, including its business and financial affairs and the particulars of the indebtedness and liability of the Companies to each other and all security held by each therefor. The Companies hereby consents to any such exchange of information.

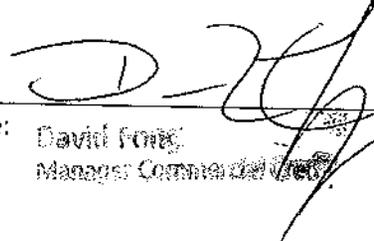
- 8.2 Neither the Bank nor Roynat shall take any action to defeat the priorities set forth in this Agreement. For greater certainty, neither the Bank nor Roynat shall contest the validity, perfection, priority or enforceability of the other's indebtedness and/or security. Each of the Bank and Roynat hereby waives any right the other may have to require the other to marshal in its favour.
- 8.3 Each of the Bank, Roynat and the Companies shall do, perform, execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the intent of this Agreement; provided, however, that no consent of the Companies shall be necessary to any amendment of the terms hereof by the Bank and Roynat unless the interests of the Companies are directly affected thereby.
- 8.4 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof. This Agreement also may be executed by facsimile or pdf, and any signature contained hereon by facsimile or pdf shall be deemed to be equivalent to an original signature for all purposes. Any party delivering this Agreement by facsimile or pdf shall forthwith deliver originally executed copies to the other parties hereto.
- 8.5 Any communication required or permitted to be given under this Agreement will be in writing and will be effectively made and given if (a) delivered personally, (b) sent by prepaid courier service, or (c) sent prepaid by facsimile transmission, in each case to the address or facsimile number of the relevant party set out on the signature pages to this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of actual delivery if so delivered, or on the day of facsimile transmission provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any party may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the others in accordance with the provisions of this Section.
- 8.6 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 8.7 Where there is any conflict between the provisions in this Agreement regarding the priority of the security of the parties hereto and similar provisions in the Roynat Security the provisions of this Agreement will prevail.
- 8.8 Neither the Bank nor Roynat shall assign all or part of any of its Bank Security or Roynat Security, as the case may be, without first obtaining a written agreement from the assignee under which the assignee agrees to be bound by the terms of this Agreement.
- 8.9 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 8.10 This Agreement constitutes a continuing agreement, notwithstanding that either Company may not be indebted to a particular lender at any time. This Agreement shall continue in full force and effect until the date on which it is terminated upon the mutual written consent of the Bank and Roynat.
- 8.11 Nothing in this Agreement shall be construed so as to (i) entitle any person not a signatory to this Agreement to receive any proceeds of realization of any of the property and assets of the Companies, or (ii) confer any rights upon any person not a party to this Agreement.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

Address:  
100 King Street West, 4th Floor  
Hamilton, Ontario L8P 1A2  
Attention: Manager Commercial Credit  
Fax: 905.529.5451

**THE TORONTO-DOMINION BANK**

By:   
Name: David Fort  
Title: Manager Commercial Credit

By: \_\_\_\_\_  
Name:  
Title:

I / We have authority to bind the Bank

Address: Suite 650, 5500 North Service Road,  
Burlington, ON

Attention: Director Risk Management

Fax No.: 905-335-0817

ROYNAT INC.

By: 

Name: **John Maxwell**  
Title: **Director**

By: \_\_\_\_\_

Name:

Title:

I/We have authority to bind the corporation.

Address: 66 South Street

Dundas, Ontario L9H 4C7

Attention: Robert and Karen Putman

Fax No. 905.304.9154

1979707 ONTARIO INC.

By: 

Name: Karen Johanna Putman

Title: President

I have authority to bind the corporation

Address: 1430 Cormorant Road

Ancaster, Ontario L9G 4V5

Attention: Robert and Karen Putman

Fax No. 905.304.9154

1322297 ONTARIO INC.

By: 

Name: Karen Johanna Putman

Title: President

I have authority to bind the corporation

This is Exhibit “H” referred to in the Affidavit of Kathryn Furfaro sworn by Kathryn Furfaro of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on August 26, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



Financial Restructuring Group  
Transit #1070  
3140 Dufferin Street  
Toronto, Ontario M6A 2T1

February 24, 2025

1322297 ONTARIO INC.  
11572288 CANADA INC.  
CRAZY FORTS INC.  
2339816 ONTARIO LIMITED

1430 CORMORANT RD  
ANCASTER, ON L9G 4V5

Attention: Jesse Gardner via e-mail [jesse@putmaninvestments.com](mailto:jesse@putmaninvestments.com)

## **NOTICE re: DISCONTINUING FINANCIAL SERVICES**

Dear Mr. Gardner,

The Toronto-Dominion Bank (“**TD**”) periodically conducts a review of all of its customer relationships as part of our approach to managing our business. As a result of this review, we have determined that we can no longer continue to support your current accounts and/or services, or offer you any new accounts and/or services. A list of your current TD accounts and / or services is provided in Schedule A.

TD requires full payout of all indebtedness owing to TD (the “**Indebtedness**”) and the closure of all accounts and/ or services on or before April 11, 2024 (the “**Prescribed Date**”). All ancillary services, including, but not limited to, deposit accounts, business visas, and cash management services will be terminated on the same date. Please make arrangements at another financial institution on or before this date for your ongoing banking requirements.

Should you not make arrangements for the transfer of your account(s) to another financial institution prior to that date, TD will, without further notice, mail you a bank draft for the balance in your account(s), less any applicable fees, service charges and/or outstanding debts owed to TD.

Should you be ready to close prior to the Prescribed Date, please advise and we will provide you with a payout statement setting out the balances current to the date of payout. That statement will also provide you with instructions on how to make the payment.

At the payout date, TD requires evidence that 1322297 ONTARIO INC, 11572288 CANADA INC, CRAZY FORTS INC., and 2339816 ONTARIO LIMITED (collectively, the “**Borrowers**”) are current on all filings and on accounts with the Canada Revenue Agency (“**CRA**”) for payment of monies due for employee deductions at source and HST. If the Borrowers are not current, TD will require an undertaking that they will indemnify and make TD whole TD for all costs, payments, interest and losses, including all legal costs, caused by any demand, action or proceeding made or brought by CRA or any third party with respect to any claim by CRA for payment of any unpaid obligations to CRA.

Notwithstanding anything contained herein, all of the terms of all of the agreements with TD will remain in full force and effect without any changes. All of the Borrowers’ obligations and covenants to TD shall continue uninterrupted between the date of this letter and the Prescribed Date. These include, among other things (i) all standard reporting covenants; (ii) all obligations in relation to tax remittances; and (iii) all obligations to repay the Indebtedness as it comes due. The Borrowers are required to remain in full compliance with the terms of all applicable loan agreements during this period, including making all scheduled payments and fulfilling all othe obligations.

Internal

TD reserves the right to take one or more of the following steps earlier than the Prescribed Date without any prior notice if, in TD's sole discretion, circumstances require those steps to be taken: (a) demand a full payout; (b) cancel all accounts; (c) enforce security or otherwise take recovery steps.

We thank you for your cooperation and attention in this matter. We appreciate your prompt action and cooperation during this period.

Yours truly,

TD Bank Group  
E. & O.E.



Financial Restructuring Group  
 Transit #1070  
 3140 Dufferin Street  
 Toronto, Ontario M6A 2T1

**Schedule A – List of Accounts and Services**

Account	Account #	Closure Date
1. 1322297 ONTARIO INC	<u>Deposit Accounts</u>  5286559      2512 7310772      2512  <u>Loan A/C</u> 9286559      2512	April 11,2025
2. 11572288 CANADA INC	<u>Deposit Accounts</u>  5291420      2512 7312287      2512  <u>Loan A/C</u> 9291420      2512	April 11,2025
3. CRAZY FORTS INC	<u>Deposit Accounts</u>  5289868      2512 7311469      2512  <u>Loan A/C</u> 9289868      2512	April 11,2025
4. 2339816 ONTARIO LIMITED	<u>Deposit Accounts</u>  5300632      2512  <u>Loan A/C</u> 9300632      2512	April 11,2025

This is Exhibit "I" referred to in the Affidavit of Kathryn Furfaro sworn by Kathryn Furfaro of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on August 26, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**



MILLER THOMSON LLP  
SCOTIA PLAZA  
40 KING STREET WEST, SUITE 5800  
P.O. BOX 1011  
TORONTO, ON M5H 3S1  
CANADA

T 416.595.8500  
F 416.595.8695

MILLERTHOMSON.COM

June 3, 2025

**Craig Mills**  
Direct Line: +1 416.595.8596  
[cmills@millerthomson.com](mailto:cmills@millerthomson.com)

**Sent via Courier**

**11572288 Canada Inc. and  
1322297 Ontario Inc.**  
1430 Cormorant Road  
Ancaster, ON L9G 4V5  
Attention: Jesse Gardner

Dear Mr. Gardner:

**Re: Indebtedness of 11572288 Canada Inc. (the “Debtor”) to the Toronto-Dominion Bank (the “Bank”)**

As you may be aware, we are counsel to the Bank.

We refer to the demand operating facility agreement between the Debtor and the Bank dated November 12, 2019, (the “**Agreement**”) in relation to the credit facilities (the “**Facilities**”) granted to the Debtor by the Bank.

All capitalized terms not defined herein take their definition from the Agreement.

According to the Bank’s records, the Debtor is indebted to the Bank as at May 26, 2025, in the sum of **\$3,183,417.44**, including all interest to May 26, 2025; (ii) all accruing interest; and (iii) the Bank’s costs of enforcement on a full-indemnity basis (together, the “**Indebtedness**”).

The Indebtedness is comprised of amounts owing under the operating loan bearing account number 9291420-01-2512.

As security for its obligations under the Agreement, the Debtor granted a security interest in favour of the Bank in the collateral defined in the general security agreement dated January 31, 2020 (the “**GSA**”).

As further security for the Indebtedness, 1322297 Ontario Inc. (the “**Guarantor**”) executed a guarantee on January 31, 2020 (the “**Guarantee**”), pursuant to which the Guarantor guaranteed all of the Debtor’s obligations to the Bank, including the Indebtedness. The Guarantor also granted a security interest in favour of the Bank in the collateral defined in the general security agreements dated August 17, 2018 and October 31, 2022 (the “**Guarantor GSAs**” and together with the GSA, the “**GSAs**”).

As advised in the letter from the Bank to the Debtor and the Guarantor dated February 24, 2025, (the “**Exit Letter**”), the Bank made demand on the Debtor to repay all indebtedness owing from the Debtor to the Bank, including the Indebtedness, by no later than April 11, 2024. The Debtor failed to repay the Indebtedness by that date, which is a default under the Agreement and the GSAs.

On behalf of the Bank, we hereby demand payment, from the Debtor and the Guarantor, of the Indebtedness owing by the Debtor, totalling **\$3,183,417.44**, together with interest thereon and all costs to the date of payment. The exact amount of the Indebtedness which will have accrued to any date of payment shall be obtained by contacting the Bank. You will also be required to pay the Bank's legal and other expenses in connection with the Indebtedness.

Failure to make payment within ten (10) days of this letter will result in the Bank taking such steps as it considers necessary or appropriate to recover the Indebtedness and to protect its interest. This will include, but not be limited to, the Bank restricting or cancelling all facilities with no further notice and restricting the operation of any bank account(s) including, placing the same on deposit only, as such bank accounts and facilities have only been provided to the Debtor subsequent to April 11, 2025 on a day-to-day basis.

We advise that no intermediate acts, negotiations, indulgences, acceptance of payments or any continuing credit or provision of banking services shall act as a waiver to the Bank's rights, or demand for payment as set out herein, unless so expressly stated in writing.

The Bank expressly reserves its rights to take such further steps to protect its interest at any time, without further notice to the Debtor or the Guarantor, if the Bank becomes aware of any matter which may impair its security.

Finally, also find attached to this letter our client's Notice of Intention to Enforce Security as well as the relevant consent to immediate enforcement of the Bank's security. By signing this consent, the Debtor waives the time period given to it by the Bank under this notice. We are delivering a separate Notice of Intention to Enforce Security to the Guarantor under separate cover.

Yours truly,

**MILLER THOMSON LLP**

per:



Craig Mills  
Partner  
CM/MC

Enclosures

c. Client  
Matthew Cressatti, Miller Thomson LLP



**NOTICE OF INTENTION TO ENFORCE SECURITY  
(SUBSECTION 244(1) OF THE BANKRUPTCY AND INSOLVENCY ACT)**

**TO:** 11572288 CANADA INC. (the “Debtor”), an Insolvent Person.

**TAKE NOTICE THAT:**

1. **The Toronto-Dominion Bank** (the “Bank”) intends to enforce its security on the property of the insolvent person, being all collateral of the Debtor as described in the general security agreement dated January 31, 2020, and relates to all of the personal property and undertaking of the Debtor and all goods (including all parts, accessions, attachments, special tools, additions and accessions thereto), intangibles, chattel paper, documents of title (whether negotiable or not), deposits and credit balances, books and records, accounts and book debts, equipment, inventory, instruments, securities, real property and the proceeds thereof now owned or hereafter owned or acquired by or on behalf of the Debtor or in which the Debtor has any interest whatsoever.
2. The security that is to be enforced is in the form of the general security agreement dated January 31, 2020 (the “Security”).
3. The total amount of indebtedness secured by the Security as at the present time is \$3,183,417.44, which amount is inclusive of principal, and interest, but exclusive of fees, costs, and professional fees, all of which continue to accrue.
4. The Bank will not have the right to enforce the Security until after the expiry of the ten-day period following the sending of this Notice, unless the insolvent person consents to an earlier enforcement.

**DATED** at Toronto, Ontario this 3<sup>rd</sup> day of June, 2025.

**THE TORONTO-DOMINION  
BANK** by its lawyers,  
Miller Thomson LLP



Per:

---

Craig A. Mills  
Telephone: 416.595.8596  
cmills@millerthomson.com

**CONSENT**  
**(s.244(2) of the *Bankruptcy and Insolvency Act*)**

THE UNDERSIGNED hereby acknowledges receipt of a copy of The Toronto-Dominion Bank's demand dated June 2, 2025 and the Notice of Intention to Enforce Security dated June 3, 2025 pursuant to s.244(1) of the *Bankruptcy and Insolvency Act* and hereby waives the 10 day period set out in the demand and notice and consents to the immediate enforcement of The Toronto-Dominion Bank's security.

DATED at \_\_\_\_\_, Ontario, this \_\_\_\_\_ day of June, 2025.

)  
) **11572288 CANADA INC.**  
)

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

) Name:  
)

) Title:  
)

) I/We have the authority to bind the  
) corporation

This is Exhibit “J” referred to in the Affidavit of Kathryn Furfaro sworn by Kathryn Furfaro of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on August 26, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**

1322297 Ontario Inc. O/A Everest Wholesale

Operating Line of Credit Borrowing Base

Reporting Date

31-May-25

Limit **\$35,000,000 (Forward Margined)**  
 USD to CAD FX Rate **1.37330**

i)	CDN cash balance - limited to \$2M			\$	802,503	
ii)	CDN Accounts Receivables (net of all Related Party A/R's)	\$	1,034,671			
	USD Accounts Receivables (CDN Equivalent)	\$	1,557,201			
	Total Accounts Receivables			\$	2,591,872	
	Less: >90 Day Aged CDN Accounts Receivables (net of all Related Party A/R's >90 + Walmart >90 Day A/R's)	\$	-			
	Less: >90 Day Aged USD Accounts Receivables (CDN Equivalent; net of all Related Party A/R's >90 + net of Walmart >90)	\$	-			
	Less: >120 Day Aged Walmart Accounts Receivables (CDN Equivalent)	\$	-			
	Less: Contra Accounts of uninsured accounts receivable (net of >90 Day A/R's; CDN Equivalent)	\$	-			
	Marginable A/R's			\$	2,591,872	
	Discount to 90%				90%	
	<b>Margined A/R Contribution to Borrowing Base</b>			\$	<b>2,332,685</b>	(b)
iii)	<b>Sunrise Records Accounts Receivable</b>					
	Total Sunrise Records Accounts Receivables	\$	1,003,620			
	Less: >90 Day Aged Sunrise Records Accounts Receivables	\$	-			
	Marginable Sunrise Records A/R's			\$	1,003,620	
	Discount to 75%				75%	
	<b>Margined Sunrise Records A/R Contribution to Borrowing Base</b>			\$	<b>752,715</b>	(c)
	<b>Famous Toys Accounts Receivable</b>					
	Total Famous Toys Accounts Receivables	\$	43,952			
	Less: >90 Day Aged Famous Toys Accounts Receivables	\$	-			
	Marginable Famous Toys A/R's			\$	43,952	
	Discount to 75%				75%	
	<b>Margined Famous Toys A/R Contribution to Borrowing Base</b>			\$	<b>32,964</b>	(d)
	<b>Total Margined Sunrise Records A/R + Total Margined Famous Toys A/R ((c) + (d) capped at \$5,000,000)</b>			\$	<b>785,679</b>	(e)
	<b>Toys R Us Accounts Receivable</b>					
	Total Toys R Us Accounts Receivables	\$	-			
	Less: >90 Day Aged Toys R Us Accounts Receivables	\$	-			
	Marginable Toys R Us A/R's			\$	-	
	Discount to 75%				75%	
	<b>Margined A/R Contribution to Borrowing Base</b>			\$	<b>-</b>	(f)
	<b>For Your Entertainment Accounts Receivable</b>					
	Total For Your Entertainment Accounts Receivables	\$	-			
	Less: >90 Day Aged For Your Entertainment Accounts Receivables	\$	-			
	Marginable A/R's			\$	-	
	Discount to 75%				75%	
	<b>Margined A/R Contribution to Borrowing Base</b>			\$	<b>-</b>	(g)
	<b>Total Margined Toys R Us A/R + Total Margined For Your Entertainment A/R ((f) + (g) capped at \$12,500,000)</b>			\$	<b>-</b>	(h)
iv) v)	CDN Inventory (net of Crazy Forts, In Transit, and Consignment)	\$	5,820,834			
	USD Inventory (net of Crazy Forts, In Transit, and Consignment; CDN Equivalent)	\$	1,861,960			
	Total Inventory in CDN (net of Crazy Forts, In Transit, and Consignment)			\$	7,682,794	(i)
	CDN Inventory In Transit	\$	877,913			
	USD Inventory In Transit (CDN Equivalent)	\$	2,855,614			
	Total Inventory In Transit (CDN)			\$	3,733,527	(ii)
	CDN Inventory On Consignment at FYE Stores	\$	-			
	USD Inventory On Consignment at FYE Stores	\$	5,012,793			
	Total Inventory On Consignment (CDN)			\$	5,012,793	(iii)
	Total Inventory in CDN (i + ii + iii)			\$	16,429,114	2,464,367.12
	Less: Obsolete, Damaged, Not Saleable Inventory	\$	-			
	Less: Consignment Inventory above 15% of Total Inventory	\$	(2,548,426)			
	Marginable Inventory			\$	13,880,688	
	Discount to 50% with a cap of 50% of the Operating Line Limit outlined above				50%	
	<b>Contribution to Borrowing Base</b>			\$	<b>6,940,344</b>	(i)
vi)	Priority Payables*					
	HST	\$	-			
	Income Taxes Owning	\$	-			
	Source Deductions Payable	\$	-			
	Other Priority Payables	\$	-			
	<b>Total Priority Payables</b>			\$	<b>-</b>	(j)
	<b>Total Borrowing Base Coverage ((a) + (b) + (e) + (h) + (i) - (j))</b>			\$	<b>10,861,210</b>	(k)
	<b>Total borrowings - May 31</b>					
	US		(17,133,043.32)		(23,528,808.39)	
	Cdn				-	
					<b>(23,528,808.39)</b>	

I hereby certify that all information presented in this certificate is complete, accurate, and true, and that inventory values and receivable values as presented are in accordance with GAAP.

Jessica Hansler, CFO

Date

This is Exhibit “K” referred to in the Affidavit of Kathryn Furfaro sworn by Kathryn Furfaro of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on August 26, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

*Matthew Cressatti*

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**

# Paliare Roland

Ken Rosenberg  
Paliare Roland Rosenberg Rothstein LLP  
155 Wellington St. West, 35<sup>th</sup> Floor  
Toronto, ON M5V 3H1

ken.rosenberg@paliareroland.com  
T. 416.646.4304 / F. 416.646.4301

File # 103654

August 21, 2025

**VIA EMAIL:** [cmills@millerthomson.com](mailto:cmills@millerthomson.com);  
[mcressatti@millerthomson.com](mailto:mcressatti@millerthomson.com)

MILLER THOMSON LLP  
Scotia Plaza  
40 King Street West, Suite 6600  
Toronto, Ontario | M5H 3S1

Attention: Craig A. Mills and Matthew Cressatti

Counsel:

**Re: Loan from Toronto-Dominion Bank (“TD”) to 1322297 Ontario Inc. o/a Everest Wholesale (“Everest”)**

As you know, we are counsel to Everest in connection with the above noted loan.

As has been repeatedly communicated to TD, Everest’s position is that TD’s actions in shutting down Everest’s access to its banking services has severely and negatively impacted Everest’s continued operations and was done without sufficient notice, in breach of TD’s obligations to Everest at common law.

We are writing to advise that, as a result of TD’s actions, the directors of Everest have determined that they have no choice but to resign their respective offices.

Accordingly, and as set out in the attached resignation letters, the directors of Everest have given notice to Everest that they are resigning their offices effective 1:00 PM Toronto time today, August 21, 2025.

Douglas Putman, Vice-President of Everest, will be responsible for overseeing the suspension of Everest’s operation as a result of the foregoing and pending any action taken by TD.

We expect that, as a result, TD will likely move to appoint a receiver in respect of Everest. Our office has instructions to accept service of any materials in connection with such a proceeding on behalf of Everest.

# Paliare Roland

Yours very truly,  
Paliare Roland Rosenberg Rothstein LLP

A handwritten signature in black ink, appearing to read 'Ken Rosenberg', enclosed in a thin black rectangular border.

Ken Rosenberg  
KR:RS

**Encls.**

**RESIGNATION**

-

**TO: 1322297 ONTARIO INC.  
(the “Corporation”)**

**AND TO: THE DIRECTORS AND SHAREHOLDERS  
THEREOF**

I, **ROBERT WYNNE PUTMAN**, hereby resign as a director and Secretary of the Corporation and such resignation shall take effect at 1:00 PM EDT on August 21, 2025.

**DATED** this 20th day of August, 2025



Witness:

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\_\_\_\_\_  
) **ROBERT WYNNE PUTMAN**

**RESIGNATION**

-

**TO: 1322297 ONTARIO INC.  
(the "Corporation")**

**AND TO: THE DIRECTORS AND SHAREHOLDERS  
THEREOF**

I, **KAREN JOHANNA PUTMAN**, hereby resign as a director, Treasurer and President of the Corporation and such resignation shall take effect at 1:00 PM EDT on August 21, 2025.

**DATED** this 20th day of August, 2025



**Witness:**

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\_\_\_\_\_ )  
**KAREN JOHANNA PUTMAN**



This is Exhibit “L” referred to in the Affidavit of Kathryn Furfaro sworn by Kathryn Furfaro of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on August 26, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:  
*Matthew Cressatti*  
DA79353421D842D...

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*Commissioner for Taking Affidavits (or as may be)*

**MATTHEW CRESSATTI**

Court File No. CV-25-00750251-00CL

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

B E T W E E N:

**THE TORONTO-DOMINION BANK**

Applicant

and

**1322297 ONTARIO INC.**

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**CONSENT TO ACT AS RECEIVER**

Msi Spergel Inc. hereby consents to act as the court-appointed receiver and manager, without security, of the property, assets and undertakings of 1322297 Ontario Inc., pursuant to the terms of an order substantially in the form filed in the above proceeding, section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

DATED at Toronto, Ontario on August 26, 2025

	<b>MSI SPERGEL INC.</b>	
	Per:	
		Name: Mukul Manchanda, CPA, CIRP, LIT
		Title: Managing Partner

THE TORONTO-DOMINION BANK  
Applicant

1322297 ONTARIO INC.  
Respondent

Court File No. CV-25-00750251-00CL

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

Proceeding Commenced at TORONTO

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**CONSENT TO ACT AS RECEIVER**

---

**MILLER THOMSON LLP**

Scotia Plaza  
40 King Street West, Suite 6600  
P.O. Box 1011  
Toronto ON M5H 3S1

**Craig A. Mills LSO#: 40947B**

Tel: Tel: 416.595.8596  
[cmills@millerthomson.com](mailto:cmills@millerthomson.com)

**Matthew Cressatti LSO#: 77944T**

Tel: 416.597.4311  
[mcressatti@millerthomson.com](mailto:mcressatti@millerthomson.com)

Lawyers for The Toronto-Dominion Bank

THE TORONTO-DOMINION BANK  
Applicant

and

1322297 ONTARIO INC. Court File No.: CV-25-00750251-00CL  
Respondent

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

Proceeding Commenced at Toronto

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**AFFIDAVIT OF KATHRYN FURFARO  
(sworn August 26, 2025)**

---

**MILLER THOMSON LLP**  
Scotia Plaza  
40 King Street West, Suite 6600  
Toronto ON M5H 3S1

**Craig A. Mills LSO#: 40947B**  
Tel: 416.595.8596  
[cmills@millerthomson.com](mailto:cmills@millerthomson.com)

**Matthew Cressatti LSO#: 77944T**  
Tel: 416.597.4311  
[mcressatti@millerthomson.com](mailto:mcressatti@millerthomson.com)

Lawyers for The Toronto-Dominion Bank

# TAB 4

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE  
JUSTICE OSBORNE

)  
)  
)

WEDNESDAY, THE 27<sup>TH</sup>  
DAY OF AUGUST, 2025

**THE TORONTO-DOMINION BANK**

Applicant

- and -

**1322297 ONTARIO INC.**

Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**ORDER  
(appointing Receiver)**

**THIS MOTION** made by The Toronto-Dominion Bank (the “**Applicant**”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing msi Spergel Inc. (“**Spergel**”) as receiver and manager (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of 1322297 Ontario Inc. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day via Zoom videoconference.

**ON READING** the affidavit of Kathryn Furfaro sworn August 26, 2025 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, the Debtor, and those other parties identified on the Participants List, no one else appearing, although duly served as appears from the affidavit of service of Shallon Garrafa, sworn August 26, 2025, and on reading the consent of Spergel to act as the Receiver,

## **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 motion 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, Spergel is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the “**Property**”).

## **RECEIVER’S POWERS**

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

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

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

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; 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* shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

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

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

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

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

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

attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

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

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

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

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

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

### **CONTINUATION OF SERVICES**

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

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

### **RECEIVER TO HOLD FUNDS**

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

### **EMPLOYEES**

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

### **PIPEDA**

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such

personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

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

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

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

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

## **RECEIVER'S ACCOUNTS**

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

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

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

## **FUNDING OF THE RECEIVERSHIP**

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any

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

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

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

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

#### **SERVICE AND NOTICE**

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <https://www.spergelcorporate.ca/engagements/1322297-ontario-inc-1/>.

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

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

## **GENERAL**

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

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

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

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

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

32. **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.

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

34. **THIS COURT ORDERS** that this order is effective as of today's date and is enforceable without the need for entry and filing.

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## SCHEDULE "A"

### RECEIVER CERTIFICATE

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

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

1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of 1322297 Ontario Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 27<sup>th</sup> day of August, 2025 (the "**Order**") made in an action having Court file number CV-25-00750251-00CL 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 the Lender 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\_\_.

**msi SPERGEL INC.**, solely in its capacity as Receiver of the Property, and not in its personal capacity

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

Name:

Title:

THE TORONTO-DOMINION BANK  
Applicant

and

1322297 ONTARIO INC.  
Respondent

Court File No.: CV-25-00750251-00CL

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

Proceeding Commenced at TORONTO

**ORDER  
(APPOINTING RECEIVER)**

**MILLER THOMSON LLP**  
Scotia Plaza  
40 King Street West, Suite 6600  
P.O. Box 1011  
Toronto ON M5H 3S1

**Craig A. Mills LSO#: 40947B**  
Tel: Tel: 416.595.8596  
[cmills@millertomson.com](mailto:cmills@millertomson.com)

**Matthew Cressatti LSO#: 77944T**  
Tel: 416.597.4311  
[mcressatti@millertomson.com](mailto:mcressatti@millertomson.com)

Lawyers for The Toronto-Dominion Bank

# TAB 5

Court File No.: CV-25-00750251-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE, ) WEDNESDAY, THE 27<sup>TH</sup>  
 )  
JUSTICE OSBORNE ) DAY OF AUGUST, 2025

THE TORONTO-DOMINION BANK

Applicant

- and -

1322297 ONTARIO INC.

Respondent

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**ORDER  
(appointing Receiver)**

THIS MOTION made by The Toronto-Dominion Bank (the "Applicant") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing msi Spergel Inc. ("Spergel") as receiver and manager, (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 1322297 Ontario Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day via Zoom videoconference.

ON READING the affidavit of Kathryn Furfaro sworn August 26, 2025 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, the Debtor, and those other parties identified on the Participants List, no one else appearing, although duly served as appears from the affidavit of service of Shallon Garrafa, sworn August 26, 2025, and on reading the consent of Spergel to act as the Receiver,

**Deleted:** Revised: January 21, 2014 s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No. ¶

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PLAINTIFF¶

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**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 motion is properly returnable today and hereby dispenses with further service thereof.

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**APPOINTMENT**

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

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**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:

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

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

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(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 \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and

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(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*, shall not be required;

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(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

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

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

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

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

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

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attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

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#### NO PROCEEDINGS AGAINST THE RECEIVER

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

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**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

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

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**NO EXERCISE OF RIGHTS OR REMEDIES**

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

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**NO INTERFERENCE WITH THE RECEIVER**

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

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**CONTINUATION OF SERVICES**

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

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

### RECEIVER TO HOLD FUNDS

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

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### EMPLOYEES

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

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### PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a **“Sale”**). Each prospective purchaser or bidder to whom such

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personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### LIMITATION ON ENVIRONMENTAL LIABILITIES

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

#### LIMITATION ON THE RECEIVER’S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the WEPPA. 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.

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**RECEIVER'S ACCOUNTS**

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

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

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

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**FUNDING OF THE RECEIVERSHIP**

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed **\$500,000** (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. 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

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

**GENERAL**

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

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

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

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

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

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32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver 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.

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

34. **THIS COURT ORDERS** that this order is effective as of today's date and is enforceable without the need for entry and filing.

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SCHEDULE "A"

RECEIVER CERTIFICATE

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

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

1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the "Receiver") of the assets, undertakings and properties of 1322297 Ontario Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 27<sup>th</sup> day of August, 2025 (the "Order") made in an action having Court file number CV-25-00750251-00CL 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 the Lender 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.

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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\_\_.

msi SPERGEL INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

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

Name:

Title:

Deleted: [RECEIVER'S NAME],  
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THE TORONTO-DOMINION BANK  
Applicant

and

132297 ONTARIO INC.  
Respondent

Court File No.: CV-25-00750251-00CL

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*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceeding Commenced at TORONTO

ORDER  
(APPOINTING RECEIVER)

MILLER THOMSON LLP

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Lawyers for The Toronto-Dominion Bank

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Model\_Receivership\_Order\_(T\_Reyes).doc

THE TORONTO-DOMINION BANK  
Applicant

and

1322297 ONTARIO INC.  
Respondent

Court File No. CV-25-00750251-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding Commenced at  
Toronto

**APPLICATION RECORD OF THE APPLICANT  
(Returnable August 27, 2025)**

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