

Court File No. CV-23-00698375-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

VELLEND-TECH INC., ROBERT D. VELLEND and MARTIN A. VELLEND

Defendants

MOTION RECORD

(Motion for an Order appointing a Receiver

Hearing Date: Tuesday, May 16, 2023 at 12:30 p.m., Via Video Conference)

April 24, 2023

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto ON M5H 4G2

Rachel Moses (LSO# 42081V)
rmoses@mindengross.com
Tel: 416-369-4115

Lawyers for Royal Bank of Canada

TO:
SERVICE LIST

SERVICE LIST

(re: Motion to appoint Receiver, returnable on May 16, 2023)

| NO. | NAME | METHOD OF SERVICE |
|-----|---|--|
| 1. | <p>MATTHEW R. HARRIS 100 Sheppard Avenue West, Suite 103 Toronto ON M2N 1M6</p> <p>Tel: (416) 733-8778 E-Mail: m.harris@matthewharrislawyer.com</p> <p>Lawyers for the Defendants, Vellend-Tech Inc., Robert D. Vellend and Martin A. Vellend</p> | <p>BY E-MAIL TO: m.harris@matthewharrislawyer.com</p> |
| 2. | <p>MSI SPERGEL INC. 505 Consumers Road, Suite 200, Toronto ON M2J 4V8</p> <p>Mukul Manchanda Tel: (416) 498-4314 E-Mail: mmanchanda@spergel.ca</p> <p>Proposed Receiver</p> | <p>BY E-MAIL TO: mmanchanda@spergel.ca</p> |
| 3. | <p>HARRISON PENZA LLP 130 Dufferin Avenue, Suite 1101 London ON N6A 5R2</p> <p>Melinda Vine Tel: (519) 661-6705 E-Mail: mvine@harrisonpensa.com</p> <p>Lawyers for the Proposed Receiver</p> | <p>BY E-MAIL TO: mvine@harrisonpensa.com</p> |
| 4. | <p>HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as represented by Ministry of Finance Legal Services Branch 77 Bay Street, 11th Floor Toronto ON M5G 2C8</p> <p>Attention: Anthony R. Golding Senior Counsel, Ministry of Finance Tel: (416) 938-5069 E-Mail: anthony.golding@ontario.ca</p> | <p>BY E-MAIL TO: anthony.golding@ontario.ca</p> |

| NO. | NAME | METHOD OF SERVICE |
|-----|---|---|
| 5. | <p>CANADA REVENUE AGENCY c/o Department of Justice Ontario Regional Office The Exchange Tower, Box 36 130 King Street West, Suite 3400 Toronto ON M5X 1K6</p> <p>Attention: Diane Winters Tel: (416) 952-8563 E-Mail: diane.winters@justice.gc.ca</p> | <p>BY E-MAIL TO: diane.winters@justice.gc.ca</p> |
| 6. | <p>INSOLVENCY UNIT Province of Ontario E-Mail: insolvency.unit@ontario.ca</p> | <p>BY E-MAIL TO: insolvency.unit@ontario.ca</p> |
| 7. | <p>ANDRIESSEN & ASSOCIATES, BUSINESS LAWYERS 703 Evans Avenue, Suite 101 Toronto ON M9C 5E9</p> <p>Robin K. Mann J.D. Tel: (416) 620-70120 Ext. 23 E-Mail: rmann@andriessen.ca</p> <p>Lawyers for Vellend Brothers Enterprises Inc.</p> | <p>BY E-MAIL TO: rmann@andriessen.ca</p> |
| 8. | <p>TOYOTA CREDIT CANADA INC. 80 Micro Court Markham ON L3R 9Z5</p> | <p>BY COURIER</p> |
| 9. | <p>VW CREDIT CANADA INC. 4865 Marc-Blain St., Suite 300 St-Laurent QC H4R 3B2</p> <p>Attention: Maya Al Khatib E-Mail: infoinsurance@vwcredit.com</p> | <p>BY E-MAIL TO: infoinsurance@vwcredit.com</p> |
| 10. | <p>SALLYPORT COMMERCIAL FINANCE ULC 2233 Argentia Road, East Tower, Suite 302 Mississauga ON L5N 2X7</p> <p>Dan Millar Vice President Email: dmillar@sallyportcf.com</p> | <p>BY E-MAIL TO: dmillar@sallyportcf.com</p> |

INDEX

| TAB | DOCUMENT | PAGE NO. |
|-----|---|-----------|
| 1 | Notice of Motion dated April 24, 2023, returnable on May 16, 2023 | 1 – 6 |
| 2 | Affidavit of Michael Foster sworn April 24, 2023 and the exhibits attached thereto | 7 – 15 |
| A | Exhibit “A” – Corporation Profile Report for Vellend-Tech Inc. | 16 – 25 |
| B | Exhibit “B” – Credit Agreement | 26 – 74 |
| C | Exhibit “C” – General Security Agreement | 75 – 84 |
| D | Exhibit “D” – Guarantee and Postponement of Claim limited to the principal sum of \$925,000.00 executed by Robert Vellend and Martin Vellend | 85 – 89 |
| E | Exhibit “E” – Certified PPSA Search for Vellend-Tech Inc. with currency to April 11, 2022; uncertified PPSA Search for Vellend-Tech Inc. with currency to April 21, 2023 | 90 – 119 |
| F | Exhibit “F” – Transition Letter dated April 25, 2022 | 120 – 122 |
| G | Exhibit “G” - Demand Letters dated April 26, 2022 with related s. 244 notice under the BIA | 123 – 128 |
| H | Exhibit “H” – Forbearance Agreement with Consent to receivership and Consent to judgment | 129 – 176 |
| I | Exhibit “I” – Default Letter dated July 13, 2022 | 177 – 179 |
| J | Exhibit “J” – Amending Forbearance Agreement dated July 18, 2022 | 180 – 232 |
| K | Exhibit “K” – Appointment Letter from msi Spergel inc. dated November 16, 2022 | 233 – 236 |
| L | Exhibit “L” – Email exchange dated March 20, 2023 | 237 – 242 |
| M | Exhibit “M” – Email exchange dated April 20, 2023 | 243 – 249 |
| 3 | Statement of Claim issued on April 24, 2023 | 250 – 262 |
| 4 | Consent to Act as Receiver | 263 – 264 |

| TAB | DOCUMENT | PAGE NO. |
|------------|-----------------------------------|-----------------|
| 5 | Draft Order (appointing Receiver) | 265 - 280 |

Court File No. CV-23-00698375-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

VELLEND-TECH INC., ROBERT D. VELLEND and MARTIN A. VELLEND

Defendants

NOTICE OF MOTION

(Motion for an Order appointing a Receiver
Hearing Date: May 16 2023 at 12:30 p.m., via Video Conference)

Royal Bank of Canada ("**RBC**"), will make a motion to a Judge presiding over the Commercial List on Tuesday, May 16, 2023, commencing at 12:30 p.m., or as soon after that time as the motion can be heard by way of Zoom video conference.

PROPOSED METHOD OF HEARING: The Motion is to be heard (*choose appropriate option*)

- In writing under subrule 37.12.1(1) because it is without notice;
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;

[X] By video conference.

at the following location: 330 University Avenue, Toronto, Ontario.

THE MOTION IS FOR:

1. An Order:
 - (a) appointing msi Spergel inc. as receiver without security over all of the assets, undertakings and property of the defendant, Vellend-Tech Inc. (“**Vellend-Tech**”), and all other property, assets, and undertakings related thereto; and
 - (b) such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

1. Vellend-Tech is an Ontario corporation that operates a bicycle and bicycle parts business.
2. Vellend-Tech is directly indebted to RBC in connection with certain credit facilities advanced by RBC under various credit agreements.
3. RBC was concerned about the financial performance of Vellend-Tech and its accounts were transferred to Special Loans & Advisory Services Group in April 2022.
4. On April 26, 2022, RBC made formal written demand on Vellend-Tech.
5. Demands expired and the indebtedness remains outstanding.

6. Since May 2022 (one year ago) RBC agreed to forbear from enforcing its rights and remedies against Vellend-Tech to allow it (and the personal guarantors) time to obtain financing to repay the indebtedness owing to RBC.

7. The parties entered into a forbearance agreement and a forbearance amending agreement #1. As part of the forbearance, Vellend-Tech (and the personal guarantors) executed and delivered to RBC a consent to receivership and consent to judgment.

8. There were defaults under the forbearance agreement and the forbearance amending agreement #1. Despite this, RBC did not terminate the forbearance. The forbearance period expired on September 30, 2023.

9. Vellend-Tech was unable to repay the indebtedness to RBC on September 30, 2023. RBC continued to forbear.

10. In March 2023, RBC provided notice that all indebtedness must be repaid by April 20, 2023 and no further extensions would be granted.

11. On April 20, 2023, Vellend-Tech advised that it could not repay the indebtedness owing to RBC and that it is consulting with an insolvency advisor.

12. RBC has provided Vellend-Tech with more than sufficient time to repay the indebtedness. Vellend-Tech has been unable to fulfil its obligations to RBC and has consulted with an insolvency advisor.

13. At this stage, RBC wishes to take any and all steps necessary to enforce its security and realize on same.

14. RBC considers it reasonable and prudent for it to begin enforcement of its security in an effort to recover the outstanding indebtedness.
15. The appointment of a receiver is provided for in the security delivered to RBC by Vellend-Tech (see section 13 of the General Security Agreements).
16. RBC proposes that msi Spergel inc. be appointed as receiver of Vellend-Tech.
17. msi Spergel inc. has consented to act as receiver should the Court so appoint it.
18. Vellend-Tech has consented to the receivership order.
19. The other grounds set out in the affidavit of Michael Foster.
20. Section 243(1) of the *Bankruptcy and Insolvency Act*.
21. Section 101 of the *Courts of Justice Act*.
22. Rules 1.04, 1.05, 2.01, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.
23. 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 Motion:

- (a) Affidavit of Michael Foster sworn April 24, 2023 and the Exhibits thereto;
- (b) Consent of the Receiver;

(c) Consent of Vellend-Tech;

(d) Such further and other evidence as counsel may advise and this Honourable Court may permit.

Date: April 24, 2023

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO# 42081V)
rmoses@mindengross.com
Tel: 416-369-4115
Fax: 416-864-9223

Lawyers for the Plaintiff

TO: **SERVICE LIST**

#56974074128221 v1

B E T W E E N

ROYAL BANK OF CANADA
Plaintiff

-and-

VELLEND-TECH INC., et al.
Defendants
Court File No. CV-23-00698375-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF MOTION

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO#42081V)
rmoses@mindengross.com
Tel: 416-369-4115
Lawyers for Royal Bank of Canada

(File No. 4128221)

Court File No. CV-23-00698375-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

VELLEND-TECH INC., ROBERT D. VELLEND AND MARTIN A. VELLEND

Defendants

**AFFIDAVIT OF MICHAEL FOSTER
(sworn April 24, 2023)**

I, **MICHAEL FOSTER**, of the City of Ottawa, in the Province of Ontario,

MAKE OATH AND SAY:

1. I am a Senior Manager of the Special Loans & Advisory Services Group (“**SLAS**”) of Royal Bank of Canada (“**RBC**”), with carriage of the RBC accounts of the defendant, Vellend-Tech Inc. (the “**Company**”). As such, I have knowledge of the matters to which I hereinafter depose.

2. Where the information in this affidavit is based upon information and belief, I have indicated the source of my information and belief and do verily believe it to be true.

3. To the extent that any of the information set out in this affidavit is based on my review of RBC's documents, I verily believe the information in such documents to be true.

Background

4. I am swearing this affidavit in support of a motion by RBC seeking to appoint msi Spergel inc. as receiver over the assets and undertaking of the Company.

5. On April 26, 2022, RBC issued to the Company a Notice of Intention to Enforce Security pursuant to s. 244 of the Bankruptcy and Insolvency Act (the "**BIA**"), together with a demand letter seeking payment in full of the amounts owing under a revolving demand facility ("**Operating Facility**") and Visa business facility ("**Visa Facility**") to the Company set out further below. The Operating Facility and Visa Facility are repayable on demand.

6. Following the expiry of the demands, the parties entered into a forbearance agreement dated May 9, 2022 ("**Forbearance Agreement**") and an amending forbearance agreement dated July 18, 2022 ("**Amending FA**"). The Company was required to repay all indebtedness by April 20, 2023, failing which RBC is entitled to enforce a consent to receivership and a consent to judgment executed and delivered by the Company and the guarantors, as applicable, to RBC under the Forbearance Agreement.

7. On April 20, 2023, the due date for repayment of all indebtedness, the Company advised RBC that it is unable to repay the indebtedness and has met with an insolvency professional.

The Parties

8. RBC is a chartered bank with offices in Toronto, Ontario.

9. The Company is incorporated pursuant to the laws of Ontario, with its registered head office address at 433 Horner Avenue, Unit 1, Etobicoke, Ontario. The Company is in the business of providing bicycles and bicycle parts. Attached as **Exhibit "A"** is a copy of the Corporate Profile Report for the Company dated April 12, 2022.

10. As per the Corporate Profile Report, the officers and directors of the Company are Robert D. Vellend ("**Robert**") and Martin A. Vellend ("**Martin**").

Credit Agreement and Security

11. The Company is directly indebted to RBC in connection with the Operating Facility and the Visa Facility made available by RBC to the Company pursuant to a credit facilities letter agreement dated February 24, 2020, as amended by credit agreements dated January 26, 2021, March 24, 2021, and March 10, 2022 which are collectively the "**Demand Credit Agreements**".

12. The Company is also directly indebted to RBC in connection with a term facility under Business Development Bank of Canada's Highly Affected Sectors Credit

Availability Program (the “**HASCAP Facility**”) made available by RBC to the Company pursuant to a credit facilities letter agreement dated October 28, 2021 (the “**HASCAP Credit Agreement**”). The Demand Credit Agreements and the HASCAP Credit Agreement together with terms and conditions and schedules are collectively the “**Credit Agreement**”.

13. Attached as **Exhibit “B”** is a copy of the Credit Agreement.

14. The Operating Facility, the Visa Facility and the HASCAP Facility are collectively referred to as the Credit Facilities.

15. As security for the Credit Facilities, the Company granted RBC a general security agreement on the Bank’s Standard Form 924 signed by the Company on June 7, 2005 (the “**GSA**”), registration in respect of which was duly made pursuant to the Personal Property Security Act (Ontario) (the “**PPSA**”).

16. Pursuant to the “Events of Default” section of the GSA, failure by the Company to pay when due any principal or interest forming part of the indebtedness constitutes default under the GSA.

17. Pursuant to the “Remedies” section of the GSA, upon default, RBC is entitled to appoint a receiver. Attached as **Exhibit “C”** is a copy of the GSA.

18. In support of, and as further security for the Company’s obligations under the Credit Agreement, Robert and Martin provided RBC with a guarantee and postponement of claim on the Bank’s Standard Form 812 executed by them on April 20,

2018 limited to the principal sum of \$925,000.00. Attached as **Exhibit “D”** is a copy of Robert and Martin’s guarantee and postponement of claim.

Secured Creditors

19. Attached as **Exhibit “E”** is a copy of the certified PPSA search results for the Company with currency to April 11, 2022 together with an uncertified PPSA search result for the Company with currency to April 21, 2023.

20. The PPSA search results indicate that:

- a) RBC is the first-ranking registered secured party as against the Company;
- b) the other registered secured parties are: VW Credit Canada Inc., Toyota Credit Canada Inc., Vellend Brothers Enterprises Inc. and Sallyport Commercial Finance ULC.

Demand and Forbearance

21. In or about April 2022, the accounts of the Company were transferred to SLAS.

22. By transition letter dated April 22, 2022 (**“Transition Letter”**), a copy of which is attached as **Exhibit “F”**, RBC advised the Company that its accounts were being transferred to SLAS based on the following:

- operating loans locked in (lack of fluctuation);

- cash flow difficulties;
- working capital shortfall;
- the Company's inability to meet certain financial covenants and conditions (i.e., D/TNW, Current Ratio, Debt Servicing)

23. Following issuance of the Transition Letter, on or about April 26, 2022, RBC's lawyers herein, Minden Gross LLP, issued demands and related s. 244 notice under the BIA on behalf of RBC to the Company and to Robert and Martin, as guarantors, in respect of the Operating Facility and the Visa Facility. Attached as **Exhibit "G"** are copies of the demands for payment with related s. 244 notice under the BIA.

24. RBC's demand letters required payment in full under the Operating Facility and the Visa Facility on or before May 6, 2022.

25. Following the expiry of the demands, the Company, Robert and Martin requested that RBC forbear from enforcing its rights and remedies. In this regard, the parties entered into the Forbearance Agreement.

26. Under the Forbearance Agreement, the indebtedness was to be repaid in full on or before September 30, 2022. In addition, the Company executed and delivered to RBC a consent to receivership and Robert and Martin executed and delivered to RBC a consent to judgment. Attached as **Exhibit "H"** are copies of the Forbearance Agreement and consent to receivership and consent to judgment.

27. By letter dated July 13, 2022, RBC provided written notice of default to the Company for failing to reduce the Operating Facility as required under the Forbearance Agreement (the “**Operating Line Default**”). Attached as **Exhibit “I”** is a copy of the default letter.

28. Subsequently, the parties entered into the Amending FA. Under the Amending FA, RBC agreed, among other things, not to enforce the Operating Line Default. The forbearance period remained unchanged and the Company was still required to repay all indebtedness to RBC on September 30, 2022. Attached as **Exhibit “J”** is a copy of the Amending FA.

29. The Company did not repay the indebtedness on September 30, 2022. RBC agreed to further forbear provided the Company consent to the appointment of msi Spergel inc. as consultant to review and report on the financial and operational performance of the Company to RBC. msi Spergel inc. commenced its appointment in or about November 2022. Attached as **Exhibit “K”** is a copy of the appointment letter.

30. The forbearance continued into December 2022, January 2023, February 2023 and by email sent on March 20, 2023, RBC through its lawyers advised the Company’s lawyers that RBC would no longer grant any further extensions and the indebtedness was due and payable by April 20, 2023. Attached as **Exhibit “L”** is a copy of an email sent by Rachel Moses of Minden Gross LLP to Robin Mann of Andriessen & Associates sent March 20, 2023 together with Ms. Mann’s reply.

31. By email sent on April 20, 2023, Ms. Moses advised Ms. Mann that the Company was required to repay all indebtedness before the end of the day and asked Ms. Mann on the status of pay-out. By reply email, Ms. Mann advised:

“We are writing to advise that despite their serious efforts to secure a new lender, our client is unable to obtain further financing.

Our client has met with an insolvency professional who will be reaching out to you directly.”

Attached as **Exhibit “M”** is a copy of the email exchange between Ms. Moses and Ms. Mann.

32. RBC demands have long since expired. RBC has provided the Company with almost 1 year to secure refinancing to repay the indebtedness. Despite best efforts, the Company is unable to do so and has met with an insolvency professional.

33. The indebtedness owing by the Company to RBC remains outstanding.

Appointment of Receiver

34. Section 13 of the GSA provides for the appointment of a receiver upon default.

35. Further, the Company consented to the appointment of a receiver in the event that it was unable to repay all indebtedness to RBC by September 30, 2022 (and extended to April 20, 2023). RBC has provided the Company with more than sufficient time to repay the indebtedness.

36. The Company has advised RBC that it is unable to fulfil its obligations to RBC and has met with an insolvency professional.

37. RBC is entitled to take any and all steps necessary to enforce its security and realize on same.

38. RBC considers it reasonable and prudent for it to begin enforcement of its security in an effort to recover the outstanding indebtedness.

39. msi Spergel inc. has consented to act as receiver over the Company.

40. This affidavit is sworn in support of RBC's motion for an Order to appoint msi Spergel Inc. as receiver over the Company, and for no other or improper purpose.

SWORN by Michael Foster of the City of Ottawa, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on April 24, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.


Rachel Moses (Apr 24, 2023 12:42 EDT)

Commissioner for Taking Affidavits
(or as may be)
Rachel Moses / LSO#42081V



MICHAEL FOSTER

This is Exhibit "A" referred to
in the Affidavit of Michael Foster
Sworn this 24th
day of April, 2023.



Rachel Moses (Apr 24, 2023 12:46 EDT)

.....
A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V



Ministry of Government and
Consumer Services

Profile Report

VELLEND-TECH INC. as of April 12, 2022

| | |
|------------------------------------|--|
| Act | Business Corporations Act |
| Type | Ontario Business Corporation |
| Name | VELLEND-TECH INC. |
| Ontario Corporation Number (OCN) | 639077 |
| Governing Jurisdiction | Canada - Ontario |
| Status | Active |
| Date of Incorporation/Amalgamation | September 23, 1985 |
| Registered or Head Office Address | 433 Horner Ave, Unit 1, Etobicoke, Ontario, Canada, M8W 4Y4 |

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

A handwritten signature in cursive script that reads "Barbara Duckitt".

Director/Registrar

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

Active Director(s)

Minimum Number of Directors [Not Provided]
Maximum Number of Directors [Not Provided]

Name Robert VELLAND
Address for Service 20 Abilene Dr, Etobicoke, Ontario, Canada, M9A 2M8
Resident Canadian Yes
Date Began September 23, 1985

Name Martin VELLEND
Address for Service 61 Glen Davis Crescent, Toronto, Ontario, Canada, M4E 1X7
Resident Canadian Yes
Date Began February 18, 1994

Name Martin A VELLEND
Address for Service 61 Glen Davis Cres., Toronto, Ontario, Canada, M4E 1X7
Resident Canadian [Not Provided]
Date Began September 23, 1985

Name Robert VELLEND
Address for Service 1161 Kipling Avenue, Etobicoke, Ontario, Canada, M9B 3M4
Resident Canadian Yes
Date Began September 23, 1985

Name Robert D VELLEND
Address for Service 57a Woodbury Rd., Toronto, Ontario, Canada, M8W 1X8
Resident Canadian Yes
Date Began September 23, 1985

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

Barbara Duckitt

Director/Registrar

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

Active Officer(s)

Name Martin VELLEND
Position Secretary
Address for Service 61 Glen Davis Crescent, Toronto, Ontario, Canada, M4E 1X7
Date Began February 18, 1994

Name Martin VELLEND
Position Treasurer
Address for Service 61 Glen Davis Crescent, Toronto, Ontario, Canada, M4E 1X7
Date Began February 18, 1994

Name Martin VELLEND
Position Vice-President
Address for Service 61 Glen Davis Crescent, Toronto, Ontario, Canada, M4E 1X7
Date Began February 18, 1994

Name Martin A VELLEND
Position Secretary
Address for Service 61 Glen Davis Cres., Toronto, Ontario, Canada, M4E 1X7
Date Began September 23, 1985

Name Robert VELLEND
Position President
Address for Service 1161 Kipling Avenue, Etobicoke, Ontario, Canada, M9B 3M4
Date Began September 23, 1985

Name Robert D VELLEND
Position President
Address for Service 57a Woodbury Rd., Toronto, Ontario, Canada, M8W 1X8
Date Began September 23, 1985

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

Barbara Duckitt

Director/Registrar

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

Corporate Name History

| | |
|-----------------------|-----------------------------|
| Name | VELLEND-TECH INC. |
| Effective Date | March 05, 2003 |
| Previous Name | 639077 ONTARIO INC. |
| Effective Date | November 14, 2002 |
| Previous Name | VELTEC CYCLES (CANADA) INC. |
| Effective Date | Refer to Corporate Records |
| Previous Name | DUAL SPORTS INC. |
| Effective Date | Refer to Corporate Records |

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

Barbara Duckitt

Director/Registrar

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

Active Business Names

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

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

Barbara Duckitt

Director/Registrar

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

Expired or Cancelled Business Names

| | |
|---|--------------------|
| Name | VELTEC CANADA |
| Business Identification Number (BIN) | 971225529 |
| Status | Inactive - Expired |
| Registration Date | October 17, 1997 |
| Expired Date | October 16, 2002 |

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

Barbara Duckitt

Director/Registrar

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

Document List

| Filing Name | Effective Date |
|---|-------------------|
| Annual Return - 2020 PAF: ROBERT VELLEND - DIRECTOR | March 21, 2021 |
| Annual Return - 2019 PAF: ROBERT VELLEND - DIRECTOR | July 26, 2020 |
| Annual Return - 2018 PAF: ROBERT VELLEND - DIRECTOR | February 17, 2019 |
| Annual Return - 2017 PAF: ROBERT VELLEND - DIRECTOR | November 28, 2018 |
| Annual Return - 2016 PAF: MARTIN VELLEND - DIRECTOR | October 16, 2017 |
| Annual Return - 2014 PAF: ROBERT DANIEL VELLEND - DIRECTOR | April 14, 2015 |
| Annual Return - 2013 PAF: ROBERT VELLEND - DIRECTOR | August 01, 2014 |
| Annual Return - 2012 PAF: ROBERT DANIEL VELLAND - DIRECTOR | June 03, 2013 |
| Annual Return - 2011 PAF: ROBERT VELLEND - DIRECTOR | March 16, 2012 |
| Annual Return - 2010 PAF: ROBERT DANIEL VELLEND - DIRECTOR | November 07, 2011 |
| Annual Return - 2008 PAF: ROBERT VELLAND - DIRECTOR | March 31, 2009 |
| Annual Return - 2007 PAF: ROBERT VELLEND - DIRECTOR | June 05, 2008 |
| Annual Return - 2005 PAF: WAYNE BOSOWICZ | June 05, 2008 |

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

Barbara Duckitt

Director/Registrar

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

| | |
|--|--------------------|
| Annual Return - 2006 PAF: ROBERT VELLEND - DIRECTOR | February 13, 2007 |
| Annual Return - 2005 PAF: ROBERT VELLEND - DIRECTOR | July 04, 2006 |
| Annual Return - 2004 PAF: ROBERT VELLEND - DIRECTOR | June 15, 2005 |
| Annual Return - 2003 PAF: ROBERT VELLEND - DIRECTOR | September 28, 2004 |
| Annual Return - 2003 PAF: ROBERT VELLEND - DIRECTOR | September 28, 2004 |
| BCA - Articles of Amendment | March 05, 2003 |
| CIA - Notice of Change PAF: ROBERT VELLEND - DIRECTOR | January 22, 2003 |
| BCA - Articles of Amendment | November 14, 2002 |
| Annual Return - 2001 PAF: ROBERT VELLEND - DIRECTOR | October 08, 2002 |
| Annual Return - 2000 PAF: ROBERT VELLEND - DIRECTOR | June 17, 2001 |
| CIA - Notice of Change PAF: ROBERT VELLEND - DIRECTOR | January 11, 2001 |
| CIA - Notice of Change PAF: ROBERT VELLEND - DIRECTOR | August 11, 1997 |
| Other - SPECIAL NOTICE 3 PAF: ROBERT VELLEND - DIRECTOR | February 06, 1995 |
| Other - SPECIAL NOTICE 2 PAF: ROBERT VELLEND - DIRECTOR | June 14, 1994 |
| Other - SPECIAL NOTICE PAF: MARTIN VELLEND - Director | October 30, 1992 |
| CPCV - Corporate Conversion ADD | June 27, 1992 |

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

Barbara Duckitt

Director/Registrar

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

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

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

Barbara Duckitt

Director/Registrar

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

This is Exhibit "B" referred to
in the Affidavit of Michael Foster
Sworn this 24th
day of April, 2023.



Rachel Moses (Apr 24, 2023 12:46 EDT)

.....
A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V



Royal Bank of Canada
Commercial Financial Services
1233 The Queensway Ground Flr
Etobicoke, ON M8Z 1S1

February 24, 2020

Private and Confidential

VELLEND-TECH INC.

Unit 1 433 Horner Ave
Toronto, ON
M8W 4Y4

ROYAL BANK OF CANADA (the "**Bank**") hereby confirms the credit facilities described below (the "**Credit Facilities**") subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the "**Agreement**"). This Agreement amends and restates without novation the existing agreement dated April 17, 2018 and any amendments thereto. Any amount owing by the Borrower to the Bank under such previous agreement is deemed to be a Borrowing under this Agreement. Any and all security that has been delivered to the Bank and is set forth as Security below, shall remain in full force and effect, is expressly reserved by the Bank and, unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities. Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

BORROWER: Vellend-Tech Inc. (the "**Borrower**")

CREDIT FACILITIES

Facility #1(a): \$800,000.00 revolving demand facility by way of:

a) RBP based loans ("**RBP Loans**")

| | | | |
|---------------------------|------------|----------------------------|-------------|
| Revolve in increments of: | \$5,000.00 | Minimum retained balance: | \$0.00 |
| Revolved by: | Bank | Interest rate (per annum): | RBP + 0.85% |

b) Letters of Credit in Canadian currency, or other approved currency ("**LCs**")

| |
|---|
| Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts. |
|---|

Facility #1(b): \$200,000.00 revolving demand facility by way of:

a) RBP Loans

| | | | |
|---------------------------|------------|----------------------------|-------------|
| Revolve in increments of: | \$5,000.00 | Minimum retained balance: | \$0.00 |
| Revolved by: | Bank | Interest rate (per annum): | RBP + 0.85% |

b) LCs

| |
|---|
| Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts. |
|---|

AVAILABILITY

The Borrower may borrow, convert, repay and reborrow up to the amount of these facilities provided these facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

Provided the Bank has not cancelled Facility #1(b) or issued a demand for repayment, Facility #1(b) is only available from March 1st to June 30th inclusive in each year subject to the conditions set forth above.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, and regardless of the maturities of any outstanding instruments or contracts, Borrowings under these facilities are repayable on demand.

GENERAL ACCOUNT

The Borrower shall establish a current account with the Bank (the "General Account") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of the General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans under Facility #1(a) or Facility #1(b), as applicable;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans under Facility #1(a) or Facility #1(b), as applicable.

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "Other Facilities"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) Credit Card to a maximum amount of \$50,000.00.

FEES

One Time Fee:

Payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Monthly Fee:

Payable in arrears on the same day of each month.

Review Fee: \$800.00

Administration Fee: \$100.00

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank, including, without limitation, any amounts outstanding under any Leases, if applicable, (collectively, the "Security"), shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$925,000.00 signed by Robert Vellend and Martin Vellend;
- c) Postponement and assignment of claim on the Bank's form 918 signed by Martin Vellend;
- d) Postponement and assignment of claim on the Bank's form 918 signed by Robert Vellend.

FINANCIAL COVENANTS

In the event that the Borrower changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain, to be measured as at the end of each fiscal year:
 - i. Debt Service Coverage, of not less than 1.25:1;
- b) not, without the prior written consent of the Bank:
 - i. make or repay loans to shareholders and affiliated entities;
 - ii. make any Investments.

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) annual notice to reader financial statements for the Borrower, within 90 days of each fiscal year end;
- b) annual aged list of accounts receivable, aged list of accounts payable, listing of Potential Prior-Ranking Claims and status of inventory for the Borrower, within 90 days of each fiscal year end;
- c) such other financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally:

- e) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

GOVERNING LAW JURISDICTION

Province of Ontario.

ACCEPTANCE

This Agreement is open for acceptance until March 24, 2020, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President

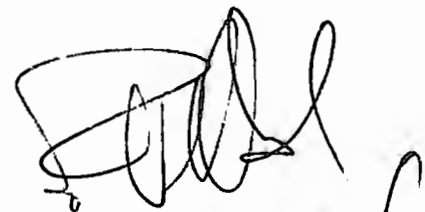
RBC Contact: Andrew Rankin

/mw

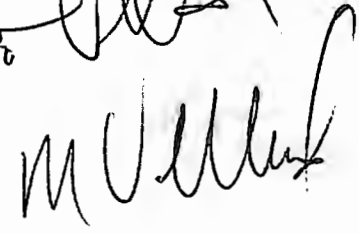
We acknowledge and accept the terms and conditions of this Agreement on this 28 day of FEB, 2020.

VELLEND-TECH INC.

Per: ROBERT VELLEND PRES
Name:
Title:



Per: MARTIN VELLEND VICE PRES
Name:
Title:



I/We have the authority to bind the Borrower

Attachments:

Terms and Conditions

Schedules:

- Definitions
- Calculation and Payment of Interest and Fees
- Additional Borrowing Conditions
- RBC Covarity Dashboard Terms and Conditions

TERMS AND CONDITIONS

The Bank is requested by the Borrower to make the Credit Facilities available to the Borrower in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrower agrees, and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand including, without limitation, an amount equal to the face amount of all LCs, which are unmaturing or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations. For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

In the case of any reducing term loan and/or reducing term facility ("**Reducing Term Loan/Facility**"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("**Renewal Letter**") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the Maturity Date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings are by way of RBP Loans, the Borrower may prepay such Borrowings in whole or in part without fee or premium.

The prepayment of any Borrowings under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "**Accounts**") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the

repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In

addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable, or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower, or a Guarantor if applicable, in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor if applicable for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as

though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "**Paper Record**") into electronic images (each, an "**Electronic Image**") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) if applicable, it is duly constituted, validly existing and duly registered or qualified to carry on business or its operations in all jurisdictions where the nature of its properties, assets, business or operations make such registration or qualification necessary or desirable;
- b) the execution, delivery and performance by it of this Agreement do not violate any Applicable Laws or agreements to which it is subject or by which it is bound, and where applicable, have been duly authorized by all necessary actions and do not violate its constating documents;
- c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or any Security or any other agreement delivered to the Bank or an Event of Default;
- d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental and Health and Safety Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing and/or the entering into each Lease, if applicable, hereunder.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases, if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

JUDGEMENT CURRENCY

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "**Judgement Currency**") any amount due hereunder in any currency other than the Judgement Currency, then

conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgement is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgement is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgement Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency together with interest at RBP and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the Borrower under this section will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this Agreement.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower, or any Guarantor if applicable, under this Agreement or in any other document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.

INCREASED COSTS

If any change in Applicable Laws or the interpretation thereof after the date hereof (i) imposes or increases taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) imposes or increases any reserve or other similar requirement or (iii) imposes or changes any other condition affecting the Credit Facilities, and the result of any of the foregoing results in any additional cost to the Bank of making available, continuing or maintaining any of the Credit Facilities hereunder (or maintaining any obligations to make any such Credit Facilities available hereunder) or results in any reduction in the amount of any sum

received or receivable by the Bank in connection with this Agreement or the Credit Facilities made available hereunder, then from time to time, upon written request of the Bank, the Borrower shall promptly pay to the Bank, such additional amount or amounts as will compensate the Bank for any such additional costs incurred or reduction suffered.

CONFIDENTIALITY

This Agreement and all of its terms are confidential ("**Confidential Information**"). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person other than the Borrower's directors, officers, employees, agents, advisors, contractors, consultants and other representatives of the Borrower who need to know the Confidential Information for the purpose of this Agreement, who shall be informed of the confidential nature of the Confidential Information and who agree or are otherwise bound to treat the Confidential Information consistent with the terms of this Agreement. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank's prior written consent.

Schedule "A"**DEFINITIONS**

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are **"Borrowings"**;

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed throughout Canada;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

"Cash Taxes" means, for any fiscal period, any amounts paid in respect of income taxes;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Corporate Distributions" means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

"Debt Service Coverage" means, for any fiscal period, the ratio of EBITDA, less Cash Taxes and, to the extent not deducted in determining net income, less Corporate Distributions, to the total of Interest Expense and scheduled principal payments in respect of Funded Debt;

"EBITDA" means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

"Funded Debt" means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

"Guarantor" means any Person who has guaranteed the obligations of the Borrower under this Agreement;

"Interest Expense" means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances;

"Lease" means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

"Letter of Credit" or "LC" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of paying suppliers of goods;

"Maturity Date" means the date on which a facility is due and payable in full;

"Permitted Encumbrances" means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

"Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity;

"Policy" means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

"Postponed Debt" means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

"Potential Prior-Ranking Claims" means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

"RBP" and "Royal Bank Prime" each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

"Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning.

Schedule "B"**CALCULATION AND PAYMENT OF INTEREST AND FEES****LIMIT ON INTEREST**

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

RBP LOANS

The Borrower shall pay interest on each RBP Loan, monthly in arrears, on the 26th day of each month or such other day as may be agreed to between the Borrower and the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Borrowing.

LETTER OF CREDIT FEES

The Borrower shall pay a LC fee on the date of issuance of any LC calculated on the face amount of the LC issued, based upon the number of days in the term and a year of 365 days. If applicable, fees for LCs issued in US currency shall be paid in US currency and fees for LCs issued in any other approved currency shall be paid in Canadian currency.

Schedule "D"**ADDITIONAL BORROWING CONDITIONS****LCs:**

Borrowings made by way of LCs will be subject to the following terms and conditions:

- a) each LC shall expire on a Business Day and shall have a term of not more than 365 days;
- b) at least 2 Business Days prior to the issue of an LC, the Borrower shall execute a duly authorized application with respect to such LC and each LC shall be governed by the terms and conditions of the relevant application for such contract;
- c) an LC may not be revoked prior to its expiry date unless the consent of the beneficiary of the LC has been obtained;
- d) any LC issued under a term facility must have an expiry date on or before the Maturity Date of the term facility, unless otherwise agreed by the Bank; and
- e) if there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LC, the terms of the application for LC shall govern.

Schedule "H"**RBC COVARIETY DASHBOARD TERMS AND CONDITIONS**

If the Borrower elects to fulfill the reporting requirements relating to the submission of financial information set out in this Agreement by accessing a secure web based portal ("**RBC Covarity Dashboard**") via the Internet and using RBC Covarity Dashboard to electronically upload the Borrower's financial information and to complete online and electronically submit certificates, reports and/or forms (the "**Service**"), then the following terms and conditions (the "**RBC Covarity Dashboard Terms and Conditions**") apply and are deemed to be included in, and form part of, the Agreement.

1. Definitions. For the purpose of the RBC Covarity Dashboard Terms and Conditions:

"Disabling Code" means any clock, timer, counter, computer virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software.

"Designated User" an individual permitted to act on behalf of and bind the Borrower in all respects, and specifically in the submission of Electronically Uploaded Financial Information and/or Electronically Submitted Certificates.

"Electronic Channel" means any telecommunication or electronic transmission method which may be used in connection with the Service, including computer, Internet, telephone, e-mail or facsimile.

"Electronic Communication" means any information, disclosure, request or other communication or agreement sent, received or accepted using an Electronic Channel.

"Electronically Submitted Certificates" means certificates, reports and/or forms completed online and electronically submitted by any Designated User accessing the Service.

"Electronically Uploaded Financial Information" means financial data, reports and/or information of the Borrower electronically uploaded by any Designated User accessing the Service.

"Internet" means a decentralized global communications medium and the world-wide network of computer networks, accessible to the public, that are connected to each other using specific protocols, which provides for file transfer, electronic mail, remote log in, news, database access, and other services.

"Password" means a combination of numbers and/or letters selected by a Designated User that is used to identify the Designated User. The Password is used in conjunction with a User ID to access the Service.

"Security Breach" means any breach in the security of the Service, or any actual or threatened use of the Service, a Security Device, or Electronic Channel in a manner contrary to the Agreement, including, without limitation, the introduction of Disabling Code or a Virus to the Service.

"Security Device" means a combination of a User ID and Password.

"Software" means any computer program or programming (in any code format, including source code), as modified from time to time, and related documentation.

"User ID" means the combination of numbers and/or letters selected by the Borrower used to identify a particular Designated User. The User ID is used in conjunction with a Password to access the Service.

"Virus" means an element which is designed to corrupt data or enable access to or adversely impact upon the performance of computer systems, including any virus, worm, logic bomb, and Trojan horse.

Terms defined in the Agreement have the same meanings where used in the RBC Covarity Dashboard Terms and Conditions.

2. Access to the Service. The Borrower will appoint one or more Designated User(s) to access the Service on behalf of the Borrower. The Borrower acknowledges and agrees that each Designated User appointed by the Borrower may electronically upload the Borrower's financial information and may view all previously uploaded financial information and all calculations in the RBC Covarity Dashboard.

At the time of registration for the Service, the Borrower will advise the Bank of the name and e-mail address of each Designated User. The Borrower will immediately advise the Bank if a Designated User changes or is no longer valid.

The Bank will provide the Borrower with a User ID and temporary password for each Designated User. Each Designated User will receive the User ID and temporary password delivered to their e-mail address. Each Designated User will change the temporary password to a unique Password which may not be easily guessed or obtained by others. If it is suspected or known that the Password has been compromised in any way, the Password must be changed immediately.

On first access to the Service, each Designated User will be required to read and agree to terms of use which will thereafter be accessible from a link located on each web page of the Service.

3. Security Devices. The Borrower recognizes that possession of a Security Device by any person may result in that person having access to the Service. The Borrower agrees that the use of a Security Device in connection with the Service, including any information sent, received or accepted using the Service, will be deemed to be conclusive proof that such information is accurate and complete, and the submission of which is authorized by, and enforceable against, the Borrower.

The Borrower is responsible for maintaining the security and confidentiality of Security Devices which may be used in connection with the Service. The Borrower is responsible for ensuring that a Security Device will only be provided to and used by a Designated User. The Borrower agrees to be bound by any actions or omissions resulting from the use of any Security Device in connection with the Service.

4. Security. Each party shall at all times have in place appropriate policies and procedures to protect the security and confidentiality of the Service, Electronic Channels and Electronic Communication and to prevent any unauthorized access to and use of the Service and Electronic Channels. The Borrower agrees to comply with any additional procedures, standards or other security requirements that the Bank may require in order to access the Service.

The Borrower will not (i) access or use the Service for an illegal, fraudulent, malicious or defamatory purpose, or (ii) take steps or actions that could or do undermine the security, integrity, effectiveness, goodwill or connectivity of the Service (including illegal, fraudulent, malicious, defamatory or other activities that threaten to harm or cause harm to any other person).

The Borrower agrees not to transmit via the Service any viruses, worms, defects, Trojan horses or any items of a destructive nature. The Borrower shall maintain the security of their computer by using anti-virus scanning, a firewall and installing the latest security patches to provide assurance that no Virus is introduced into the systems or Software while accessing the Service.

5. Unsecure Electronic Channels. The Borrower acknowledges and agrees that if it uses, or if it authorizes and directs the Bank to use, any unencrypted Electronic Channel, including unencrypted e-mail or facsimile, any Electronic Communication sent, received and/or accepted using such Electronic Channel is not secure, reliable, private or confidential. Any such Electronic Communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Borrower assumes full responsibility for the risks associated with such Electronic Communication.

6. Notice of Security Breach. The Borrower shall notify the Bank by notifying the RBC Account Manager in writing immediately of any Security Breach including: (i) any application vulnerability or if a Virus is contained in or affects transmission of information to the Service; or (ii) if the Borrower knows or reasonably ought to know that an unauthorized person may have access to the Service, Security Device or Electronic Channel.

If a Security Breach occurs the Borrower shall: (i) assist the Bank in the management of any consequences arising from it; (ii) take any reasonable steps necessary for it to take to mitigate any harm resulting from it; and (iii) take appropriate steps to prevent its recurrence.

7. Binding Effect. Any Electronic Communication that the Bank receives from or in the name of, or purporting to be from or in the name of, the Borrower or any other person on the Borrower's behalf in connection with the Service, will be considered to be duly authorized by, and enforceable against, the Borrower. The Bank will be authorized to rely and act on any such Electronic Communication, even if the Electronic Communication was not actually from the Borrower or such other person or differs in any way from any previous Electronic Communication sent to the Bank. Any Electronically Uploaded Financial Information will be considered to be financial information submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Uploaded Financial Information accordingly. Any Electronically Submitted Certificates will be considered to be certificates, reports and/or forms completed and submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Submitted Certificates accordingly.

8. Representations and Warranties. The Borrower represents and warrants to the Bank that each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted: (i) all financial statements, certificates, forms, reports and all information contained therein will be accurate and complete in all respects; (ii) all amounts certified as Potential Prior-Ranking Claims will be current amounts owing and not in arrears; (iii) all representations and warranties contained in the Agreement will be true and correct; and (iv) no event will have occurred which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or breach of any covenant or other term or condition of the Agreement. The Borrower will be deemed to repeat these representations and warranties each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted.

9. Evidence. Electronic records and other information obtained by the Bank in an Electronic Communication will be admissible in any legal, administrative or other proceedings as conclusive evidence of the contents of those communications in the same manner as an original paper document, and the Borrower waives any right to object to the introduction of any such record or other information into evidence on that basis.

10. Limitation of Liability. The Bank is not responsible or liable for any damages arising from: (i) inaccurate, incomplete, false, misleading, or fraudulent information provided to the Bank; (ii) losses incurred as a result of an actual or potential Security Breach; or (iii) losses incurred as a result of application vulnerability or Virus that is contained in or affects any Software or systems used by or on behalf of the Borrower in connection with the Service.

Although every effort is made to provide secure transmission of information, timely communication and confidentiality cannot be guaranteed. In no event shall the Bank be liable for

any loss or harm resulting from the use of the Service, or from a breach of confidentiality in respect of use of the Service.

11. Termination. The ability of the Borrower to fulfill the reporting requirements relating to the submission of financial information set out in the Agreement using RBC Covarity Dashboard shall terminate upon revocation of access to the Service. In addition, the Bank may suspend or terminate access to or discontinue the Service immediately for any reason at any time without prior notice. The Bank will not be responsible for any loss or inconvenience that may result from such suspension or termination. The Borrower, upon giving notice to the Bank by notifying the RBC Account Manager in writing, may terminate use of the Service at any time.

12. Amendment. The Bank may amend these RBC Covarity Dashboard Terms and Conditions upon 30 days notice (which may be given electronically by way of e-mail or in writing) to the Borrower. The Borrower agrees that the continued use of the Service after the effective date of a change will constitute conclusive evidence of consent to all such amendments and the Borrower shall be bound by the amendments.



Royal Bank of Canada
 Commercial Financial Services
 1233 The Queensway, Ground Floor
 Etobicoke, Ontario
 M8Z 1S1

January 26, 2021

Private and Confidential

Vellend-Tech Inc.
 Unit 1, 433 Horner Avenue
 Toronto, Ontario
 M8W 4Y4

We refer to the agreement dated February 24, 2020 and any amendments thereto, between Vellend-Tech Inc., as the Borrower, and Royal Bank of Canada, as the Bank, (the "**Agreement**").

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or events of default now existing or hereafter arising under any Bank document, and whether known or unknown, and this amending agreement shall not be construed as a waiver of any such breach, default or event of default.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Agreement is amended as follows:

1. Under the **Credit Facilities** section, in the Availability section for Facility#1 the second paragraph is amended and restated as follows:

Provided the Bank has not cancelled Facility #1(b) or issued a demand for repayment, Facility #1(b) is only available from January 1st to June 30 inclusive in each year subject to the conditions set forth above.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan

* Registered Trademark of Royal Bank of Canada

coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

CONDITIONS PRECEDENT

The effectiveness of this amending agreement is conditional upon receipt of:

- a) a duly executed copy of this amending agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally;

- e) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

COUNTERPART EXECUTION

This amending agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

All other terms and conditions outlined in the Agreement remain unchanged and in full force and effect.

This amending agreement is open for acceptance until February 26, 2021, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



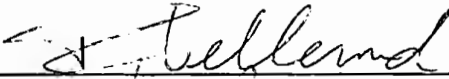
Per:
Title: Vice President


RBC Contact: Andrew Mclauchlin

/an

Agreed to and accepted this 27 day of January, 2021.

VELLEND-TECH INC.

Per:  **ROB VELLEND PRESIDENT**
Name:

Per:  **MARTIN VELLEND VICE PRESIDENT**
Name:

I/We have the authority to bind the Borrower.



Royal Bank of Canada
 Commercial Financial Services
 1233 The Queensway, Ground Flr
 Etobicoke, ON M8Z 1S1

March 24, 2021

Private and Confidential

VELLEND-TECH INC.

Unit#1, 433 Horner Ave Toronto, ON
 M8W 4Y4

We refer to the agreement dated February 24, 2020 and any amendments thereto, between Vellend-Tech Inc., as the Borrower, and Royal Bank of Canada, as the Bank, (the “**Agreement**”).

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or events of default now existing or hereafter arising under any Bank document, and whether known or unknown, and this amending agreement shall not be construed as a waiver of any such breach, default or events of default.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Agreement is amended as follows:

1. The Credit Facilities section is amended and restated as follows:

CREDIT FACILITIES

Facility #1(a): \$800,000.00 revolving demand facility by way of:

- a) RBP based loans (“**RBP Loans**”)

| | | | |
|---------------------------|------------|----------------------------|--------------|
| Revolve in increments of: | \$5,000.00 | Minimum retained balance: | \$0.00 |
| Revolved by: | Bank | Interest rate (per annum): | RBP + 0.85%% |

- b) Letters of Credit in Canadian currency, or other approved currency (“**LCs**”)

| |
|---|
| Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts. |
|---|

Facility #1(b): \$450,000.00 revolving demand facility by way of:

- a) RBP Loans

| | | | |
|---------------------------|------------|----------------------------|-------------|
| Revolve in increments of: | \$5,000.00 | Minimum retained balance: | \$0.00 |
| Revolved by: | Bank | Interest rate (per annum): | RBP + 0.85% |

® Registered Trademark of Royal Bank of Canada

b) LCs

Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts.

AVAILABILITY

The Borrower may borrow, convert, repay and reborrow up to the amount of these facilities provided these facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

Provided the Bank has not cancelled Facility #1(b) or issued a demand for repayment, Facility #1(b) is only available from January 1st to June 30th inclusive in each year subject to the conditions set forth above.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, and regardless of the maturities of any outstanding instruments or contracts, and regardless of the maturities of any outstanding instruments or contracts,

GENERAL ACCOUNT

The Borrower shall establish a current account with the Bank (the "**General Account**") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of the General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans under Facility #1(a) or Facility #1(b), as applicable;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans under Facility #1(a) or Facility #1(b), as applicable.

2. The Reporting Requirements section is amended and restated as follows:

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) annual aged list of accounts receivable, aged list of accounts payable, listing of inventory, and listing of Potential Prior-Ranking Claims for the Borrower, within 90 days of each month fiscal year end;
- b) annual notice to reader financial statements for the Borrower, within 90 days of each fiscal year end;
- c) biennial personal statement of affairs for all Guarantors, who are individuals, within 120 days of the end of every second fiscal year of the Borrower, commencing with the fiscal year ending in 2022;
- d) such other financial and operating statements and reports as and when the Bank may reasonably require.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

CONDITIONS PRECEDENT

The effectiveness of this amending agreement is conditional upon receipt of:

- a) a duly executed copy of this amending agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and

- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally;

- e) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

REVIEW FEE

A non-refundable review fee of \$800.00 is payable by the Borrower upon acceptance of this amending agreement.

COUNTERPART EXECUTION

This amending agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

All other terms and conditions outlined in the Agreement remain unchanged and in full force and effect.

This amending agreement is open for acceptance until April 23, 2021, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President

RBC Contact: ANDREW MCLAUCHLIN

/mmc

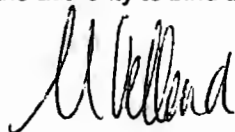
Agreed to and accepted this 31ST day of MARCH, 2021.

VELLEND-TECH INC.

Per: _____
 Name: MARTIN VELLEND
 Title: V-P

Per: _____
 Name: ROBERT VELLEND
 Title: PRES

I/We have the authority to bind the Borrower





Royal Bank of Canada
 Commercial Financial Services
 3300 Highway 7 W-2nd Floor
 Vaughan, ON L4K 4M3

March 10, 2022

Private and Confidential

VELLEND-TECH INC.

Unit 1
 433 Horner Avenue
 Toronto, ON
 M8W 4Y4

We refer to the agreement dated February 24, 2020 and any amendments thereto, between Vellend-Tech Inc., as the Borrower, and Royal Bank of Canada, as the Bank, (the "**Agreement**").

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under any Bank document, and whether known or unknown, and this amending agreement shall not be construed as a waiver of any such breach, default or Events of Default.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Agreement is amended as follows:

1. Under the Credit Facilities section, Facility #1 is amended and restated as follows:

Facility #1: \$1,000,000.00 revolving demand facility, reducing to \$800,000.00 on June 30, 2022, by way of:

- a) RBP based loans ("**RBP Loans**")

| | | | |
|---------------------------|------------|----------------------------|-------------|
| Revolve in increments of: | \$5,000.00 | Minimum retained balance: | \$0.00 |
| Revolved by: | Bank | Interest rate (per annum): | RBP + 0.85% |

- b) Letters of Credit in Canadian currency, or other approved currency ("**LCs**")

| |
|---|
| Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts. |
|---|

AVAILABILITY

The Borrower may borrow, convert, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

* Registered Trademark of Royal Bank of Canada

The amount available under this facility is temporarily increased for the period commencing March 1, 2022 and ending June 30, 2022 (the "Reduction Date"). This temporary increase is for the above referenced period only. On the Reduction Date (and provided that the Bank has not cancelled this facility or issued a demand for repayment), the amount available under this facility shall reduce to \$800,000.00 and the Borrower shall make all payments necessary to ensure that outstanding Borrowings under this facility do not exceed the amount available at any time and from time to time.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, and regardless of the maturities of any outstanding instruments or contracts, Borrowings under this facility are repayable on demand.

GENERAL ACCOUNT

The Borrower shall establish a current account with the Bank (the "**General Account**") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of the General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans under this facility;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans under this facility.

2. The Fees section is amended and restated as follows:

FEES

One Time Fee:

Payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Monthly Fee:

Payable in arrears on the same day of each month.

Review Fee: \$800.00

Management Fee: \$100.00

3. The Reporting Requirements section is amended and restated as follows:

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) annual aged list of accounts receivable, aged list of accounts payable, listing of inventory and listing of Potential Prior-Ranking Claims for the Borrower, within 90 days of each fiscal year end;
- b) annual notice to reader/ compilation engagement (as applicable) financial statements for the Borrower, within 90 days of each fiscal year end;
- c) biennial personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every second fiscal year of the Borrower, commencing with the fiscal year ending in 2023;
- d) such other financial and operating statements and reports as and when the Bank may reasonably require.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

CONDITIONS PRECEDENT

The effectiveness of this amending agreement is conditional upon receipt of:

- a) a duly executed copy of this amending agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and

d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally;

e) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

COUNTERPART EXECUTION

This amending agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

All other terms and conditions outlined in the Agreement remain unchanged and in full force and effect.

This amending agreement is open for acceptance until April 9, 2022, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President


RBC Contact: Andrew Mclauchlin

/lb

Agreed to and accepted this 17 day of March, 2022.

~~VELLEND-TECH INC.~~

Per: _____
Name: ROB VELLEND
Title: PRESIDENT


Per: _____
Name: MARTIN VELLEND
Title: VICE PRESIDENT

I/We have the authority to bind the Borrower



Royal Bank of Canada
 Commercial Financial Services
 1181 Davis Dr., 2nd Flr.
 Newmarket, Ontario
 L4K 4M3

October 28, 2021

Private and Confidential

VELLEND-TECH INC.
 Unit 1, 433 Horner Ave.
 Toronto, Ontario
 M8W 4Y4

ROYAL BANK OF CANADA (the "**Bank**") hereby offers the credit facilities described below (the "**Credit Facilities**") subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the "**Agreement**"). Any and all security that has been delivered to the Bank and is set forth as Security below, shall remain in full force and effect, is expressly reserved by the Bank and, unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities. This Agreement is in addition to our agreement dated February 24, 2020, as amended, superseded, restated or replaced from time to time. Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

BORROWER: Vellend-Tech Inc. (the "**Borrower**").

CREDIT FACILITIES

Facility #1: \$250,000.00 non-revolving term facility by way of:

a) Fixed Rate Term Loans ("**FRT Loans**") Interest rate (per annum): 4.00%

AVAILABILITY

This term facility is made possible under Business Development Bank of Canada's ("**BDC**") Highly Affected Sectors Credit Availability Program ("**HASCAP**") and is subject to the terms and conditions set forth herein and in Schedule "N" attached hereto. Hereafter, this facility may be referred to as the "**BDC HASCAP Facility**".

The Borrower may borrow up to the amount of this term facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time from time to time without notice.

Notwithstanding the foregoing and without limiting the Bank's right to cancel or restrict availability under this facility at any time, if the Borrower does not borrow under this facility on or before March 31, 2022, the Bank may, at its sole discretion, cancel this facility and the Bank will be under no obligation to advance any funds hereunder.

^o Registered Trademark of Royal Bank of Canada

REPAYMENT

The Borrower shall pay interest payments commencing one month from drawdown and thereafter on the same day of the month for the next eleven months. The Borrower shall thereafter repay Borrowings under this facility as follows:

| | | | |
|-----------------------|--|--------------------------------|-------------------------|
| Payment Amount: | \$2,314.82 | Payment Frequency: | Monthly |
| Payment Type: | Principal Plus Interest | Payment date: | 13 months from drawdown |
| Repayable in full on: | The last day of a 10 year term from drawdown | Original Amortization (months) | 120 |

The Bank may, at its discretion, adjust payments periodically, if necessary, to ensure payment in full of all Borrowings under this facility within the stated amortization period.

SECURITY

Without limiting any other security held by the Bank with respect to any credit facility provided by the Bank to the Borrower from time to time, Security for the Borrowings (collectively, the "Security"), shall include:

- a) BDC's Eligible Borrower's Representations and Warranties on the Bank's and BDC's standard form held in support of the BDC HASCAP Facility (the "Borrower's Representations and Warranties");
- b) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- c) Postponement and assignment of claim on the Bank's form 918 signed by Robert Vellend;
- d) Postponement and assignment of claim on the Bank's form 918 signed by Martin Vellend.

If any guarantee and postponement of claim or suretyship and subordination of claims described above is a joint and several guarantee among one or more individual Persons and other non-individual Person(s), then, as set out in the Joint and Several paragraph in the Terms and Conditions below, the liability of each such non-individual Person for any BDC HASCAP Facility is joint and several (in Quebec, solidarily) with each other such non-individual Person party to such guarantee (if any). For purposes of greater certainty, an individual Person shall not be liable as Guarantor for obligations owing under any BDC HASCAP Facility.

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) such financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require;
- d) all terms and conditions of the HASCAP have been fulfilled to the satisfaction of the Bank; and

- e) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally:

- f) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

GOVERNING LAW JURISDICTION

Province of Ontario.

ACCEPTANCE

This Agreement is open for acceptance until November 28, 2021, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President

RBC Contact: Andrew McLauchlin


/roc

We acknowledge and accept the terms and conditions of this Agreement on this 30th day of OCTOBER 2021.

VELLEND TECH INC.

Per: 

Name: _____
Title: PRESIDENT

Per: 

Name: _____
Title: VICE-PRESIDENT.

I/We have the authority to bind the Borrower

Attachments:

Terms and Conditions

Schedules:

- Definitions
- Calculation and Payment of Interest and Fees
- Additional Borrowing Conditions
- BDC HASCAP Terms and Conditions

TERMS AND CONDITIONS

The Bank is requested by the Borrower to make the Credit Facilities available to the Borrower in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrower agrees, and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations. For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

In the case of any reducing term loan and/or reducing term facility ("**Reducing Term Loan/Facility**"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("**Renewal Letter**") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the Maturity Date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

The Borrower may prepay Borrowings under the BDC HASCAP Facility by way of FRT Loans prior to the Maturity Date, in whole or in part, subject to the following conditions: (i) the Bank provides its prior written consent to such prepayment, (ii) the Borrower agrees to pay the Prepayment Fee as defined below, (iii) in the case of a partial prepayment, an amendment is made to the terms of this Agreement to reflect such prepayment, and (iv) such other conditions as the Bank may reasonably impose.

The Prepayment Fee will be calculated by the Bank as the greater of:

- (i) the amount equal to 3 months' interest payable on the amount of the FRT Loan Borrowings being prepaid, calculated at the interest rate applicable to the FRT Loan Borrowings on the date of prepayment; and
- (ii) the present value of the cash flow associated with the difference between the Bank's original cost of funds for the FRT Loan and the current cost of funds for a loan with a term substantially similar to the remaining term of the FRT Loan and an amortization period substantially similar to the remaining amortization period of the FRT Loan, each as determined by the Bank on the date of such prepayment;

The Prepayment Fee shall also be payable by the Borrower in the event that the Bank demands repayment of the outstanding principal of the FRT Loan on the occurrence of an Event of Default. The Borrower's obligation to pay the Prepayment Fee will be in addition to any other amounts then owing by the Borrower to the Bank, will form part of the loan amount and will be secured by the Security described herein.

The prepayment of any Borrowings under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "**Accounts**") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;

- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable, or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the

Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower, or a Guarantor if applicable, in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor if applicable for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person. Notwithstanding the foregoing, where more than one Person is liable as Guarantor for any BDC HASCAP Facility hereunder, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person other than individual Persons. For purposes of greater certainty, an individual Person shall not be liable as Guarantor for obligations owing under any BDC HASCAP Facility.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "**Paper Record**") into electronic images (each, an "**Electronic Image**") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) if applicable, it is duly constituted, validly existing and duly registered or qualified to carry on business or its operations in all jurisdictions where the nature of its properties, assets, business or operations make such registration or qualification necessary or desirable;
- b) the execution, delivery and performance by it of this Agreement do not violate any Applicable Laws or agreements to which it is subject or by which it is bound, and where applicable, have been duly authorized by all necessary actions and do not violate its constating documents;
- c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or any Security or any other agreement delivered to the Bank or an Event of Default;
- d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental and Health and Safety Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing and/or the entering into each Lease, if applicable, hereunder.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases, if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

JUDGEMENT CURRENCY

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "**Judgement Currency**") any amount due hereunder in any currency other than the Judgement Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgement is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgement is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgement Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency together with interest at RBP and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the Borrower under this section will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this Agreement.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "**Event of Default**" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto (including, without limitation the Borrower's Representations and Warranties);
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;

- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower, or any Guarantor if applicable, under this Agreement or in any other document relating hereto (including, without limitation the Borrower's Representations and Warranties) or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.

INCREASED COSTS

If any change in Applicable Laws or the interpretation thereof after the date hereof (i) imposes or increases taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) imposes or increases any reserve or other similar requirement or (iii) imposes or changes any other condition affecting the Credit Facilities, and the result of any of the foregoing results in any additional cost to the Bank of making available, continuing or maintaining any of the Credit Facilities hereunder (or maintaining any obligations to make any such Credit Facilities available hereunder) or results in any reduction in the amount of any sum received or receivable by the Bank in connection with this Agreement or the Credit Facilities made available hereunder, then from time to time, upon written request of the Bank, the Borrower shall promptly pay to the Bank, such additional amount or amounts as will compensate the Bank for any such additional costs incurred or reduction suffered.

CONFIDENTIALITY

This Agreement and all of its terms are confidential ("**Confidential Information**"). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person other than the Borrower's directors, officers, employees, agents, advisors, contractors, consultants and other representatives of the Borrower who need to know the Confidential Information for the purpose of this Agreement, who shall be informed of the confidential nature of the Confidential Information and who agree or are otherwise bound to treat the Confidential Information consistent with the terms of this Agreement. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank's prior written consent.

Schedule "A"**DEFINITIONS**

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility and all such usages outstanding at any time are **"Borrowings"**;

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed throughout Canada;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

"Guarantor" means any Person who has guaranteed the obligations of the Borrower under this Agreement;

"Maturity Date" means the date on which a facility is due and payable in full;

"Permitted Encumbrances" means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

"Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity;

“Policy” means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

“Potential Prior-Ranking Claims” means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

“RBP” and **“Royal Bank Prime”** each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada; and

“Release” includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning.

Schedule "B"**CALCULATION AND PAYMENT OF INTEREST AND FEES****LIMIT ON INTEREST**

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law. In no event shall the effective interest rate payable by the Borrower under any facility be less than zero.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

FRT LOANS

The Borrower shall pay interest on each loan in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.

Schedule "D"**ADDITIONAL BORROWING CONDITIONS****FRT Loans:**

Borrowings made by way of FRT Loans will be subject to the following terms and conditions:

- a) each FRT Loan shall have a minimum term of one year;
- b) each FRT Loan shall be in an amount not less than \$10,000.00; and
- c) each FRT Loan shall have a term as outlined in the applicable repayment section of each corresponding credit facility, provided that the maturity date of any FRT Loan issued under any term facility shall not extend beyond the Maturity Date of the term facility.

Schedule "N"**BDC BUSINESS CREDIT AVAILABILITY PROGRAM****INTRODUCTION**

The BDC HASCAP Facility is being provided to the Borrower under Business Development Bank of Canada's ("BDC") Highly Affected Sectors Credit Availability Program ("HASCAP"). HASCAP is intended to provide additional liquidity support to Canadian businesses that have been highly affected by and are facing economic hardship as a result of the COVID-19 pandemic by having BDC provide a guarantee (the "BDC Guarantee") in favour of the Bank against loan losses, provided the requirements of HASCAP have been met.

The Borrower acknowledges that the BDC Guarantee is subject to the Borrower meeting BDC's HASCAP mandate requirements regarding support for Canadian businesses, as that mandate is expressed from time to time.

BDC GUARANTEE FEE

The Borrower acknowledges that 1.00% of the 4.00% per annum interest rate payable under the BDC HASCAP Facility is a non-refundable guarantee fee charged by BDC for coverage under BDC HASCAP. The Borrower hereby authorizes and directs the Bank to collect such guarantee fee and remit it to BDC on the Borrower's behalf.

BDC CONDITIONS PRECEDENT

In addition to the conditions set forth in the Conditions Precedent section of this Agreement, the availability of any Borrowing under the BDC HASCAP Facility is conditional upon receipt of the following:

- a) the confirmation number issued by BDC on the Borrower's completion and submission of BDC's online electronic information form;
- b) the Borrower's signed Borrower's Representations and Warranties; and
- c) a signed Waiver from each Guarantor, present and future, if applicable.

The Borrower is required to access and to complete the above-mentioned forms electronically using a link on the [BDC website](#).

In addition to the above conditions, no advance is available to the Borrower hereunder if a default or an event of default has occurred and is continuing under any of the Borrower's other credit facilities with the Bank, except as such default or event or default may be waived by the Bank in writing or otherwise remedied to the satisfaction of the Bank, acting reasonably.

The BDC conditions precedent above and the conditions set forth in the Conditions Precedent section of this Agreement (collectively, the "**BDC HASCAP Facility Conditions Precedent**") shall be satisfied on or before February 28, 2022 or such other date as the Bank may notify the Borrower in writing. If the BDC HASCAP Facility Conditions Precedent are not satisfied or waived by the Bank (in the Bank's sole discretion) on or before such date, the BDC HASCAP Facility shall automatically be cancelled and shall no longer be available to the Borrower.

USE OF BORROWINGS


Borrowings under the BDC HASCAP Facility shall only be used in accordance with the terms and conditions of the Borrower's Representations and Warranties.

CONSENT AND ACKNOWLEDGEMENT

The Borrower agrees to the following:

- a) it irrevocably authorizes the Bank and BDC to:
- i. freely and fully communicate with each other and freely and fully share information, records, files and documentation related to the Borrower, the BDC HASCAP Facility and the BDC Guarantee including, without limitation, with respect to the Borrower's business, property, assets, customers, contracts, purchase orders, creditors, financial state, projections and prospects and the Bank's internal credit review of the Borrower (including, without limitation, risk ratings, key financial ratios, ratings, analysis of the Borrower's financial statements, assessment of technical capability, and relevant history of the Borrower), and
 - ii. retain copies of information or documents relating to any of the foregoing.
- b) it hereby remises, releases and forever discharges the Bank and BDC from all actions, causes of actions, suits, duties, accounts, bonds, covenants, claims and demands whatsoever, which any of the undersigned, may now or hereafter have against either or both of the Bank and BDC for or by reason of or in any way arising out of the release or sharing of information provided for in this consent and acknowledgement.
- c) it acknowledges that BDC has made no commitment to provide the BDC Guarantee and such decision remains in BDC's sole discretion and that the BDC Guarantee must be in form and on terms and conditions satisfactory to the Bank.

This is Exhibit "C" referred to
in the Affidavit of Michael Foster
Sworn this 24th
day of April, 2023.


.....
A Commissioner for Taking Affidavits
Rachel Moses / LSO# 42081V

GENERAL SECURITY AGREEMENT



1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to ROYAL BANK OF CANADA ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all inventory of whatever kind and wherever situate;
- (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all lists, records and files relating to Debtor's customers, clients and patients;
- (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims;
- (vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;

(b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;

(c) each 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 Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;

(d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations; and

(e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease inventory and, subject to Clause 7 hereof, use Money available to Debtor;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral,
- (iv) any loss or damage to Collateral,
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to 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;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;

(i) to deliver to RBC from time to time promptly upon request:

- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business,
- (iv) all policies and certificates of insurance relating to Collateral, and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any

manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES

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

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the Indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

(a) Whether or not default has occurred, Debtor authorizes RBC:

- (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

(b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided.

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

(a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;

(b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;

(c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;

(d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;

(e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;

(f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;

(h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situated, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

(b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) RBC will give Debtor 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 P.P.S.A.

(h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence 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.

14. MISCELLANEOUS

(a) Debtor hereby authorizes RBC 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 Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situated) as RBC 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 and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any Indebtedness 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 the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any Instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, 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 any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor 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 "Debtor" 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) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

(ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein mentioned branch of RBC is located, as those laws may from time to time be in effect, including where applicable, the P.P.S.A.

15. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces except Ontario).

16. Debtor represents and warrants that the following information is accurate:

INDIVIDUAL DEBTOR

| | | | |
|--|------------|-------------|------------------------------|
| SURNAME (LAST NAME) | FIRST NAME | SECOND NAME | BIRTH DATE YEAR MONTH DAY |
| ADDRESS OF INDIVIDUAL DEBTOR | CITY | PROVINCE | POSTAL CODE |
| SURNAME (LAST NAME) | FIRST NAME | SECOND NAME | BIRTH DATE YEAR MONTH DAY |
| ADDRESS OF INDIVIDUAL DEBTOR (IF DIFFERENT FROM ABOVE) | CITY | PROVINCE | POSTAL CODE |

BUSINESS DEBTOR

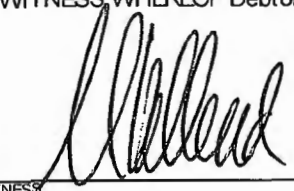
| | | | |
|---|-----------------|----------------|------------------------|
| NAME OF BUSINESS DEBTOR VELLEND TECH INC. | | | |
| ADDRESS OF BUSINESS DEBTOR 433 HORNER AVENUE UNIT # 1 | CITY TORONTO | PROVINCE ON | POSTAL CODE M8W 4Y4 |


TRADE NAME (IF APPLICABLE)

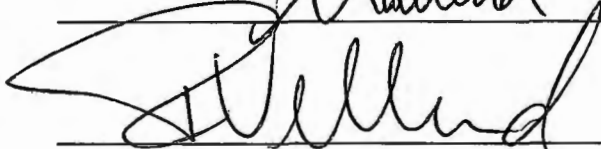
| | | | |
|---|------|----------|-------------|
| TRADE NAME OF DEBTOR | | | |
| PRINCIPAL ADDRESS (IF DIFFERENT FROM ABOVE) | CITY | PROVINCE | POSTAL CODE |

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 7th day of JUNE 2005

VELLEND TECH INC


WITNESS


Seal


WITNESS

Seal

BRANCH ADDRESS

| |
|---|
| BUSINESS SERVICE CENTRE 3RD FLR 180 WELLINGTON ST W TORONTO ON M5J 1J1 |
|---|

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

SCHEDULE "B"

1. Locations of Debtor's Business Operations

433 HORNER AVENUE
UNIT # 1
TORONTO, ONTARIO
M8W 4Y4

2. Locations of Records relating to Collateral (if different from 1. above)

SAME AS ABOVE

3. Locations of Collateral (if different from 1. above)

SAME AS ABOVE

SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

This is Exhibit "D" referred to
in the Affidavit of Michael Foster
Sworn this 24th
day of April, 2023.



Rachel Moses (Apr 24, 2023 12:46 EDT)

A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V



Guarantee and Postponement of Claim

SRF: 857551253
Borrower: VELLEND-TECH INC.

1233 THE QUEENSWAY
GROUND FLR
ETOBICOKE
ONTARIO
MBZ 1S1
CA

TO: ROYAL BANK OF CANADA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **VELLEND-TECH INC.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of **\$925,000.00** together with interest thereon from the date of demand for payment at a rate equal to the **Bank's Prime Interest Rate plus 5.00 percent per annum** as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

Please do not write in this area



RBC857551253001004000812

(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall

Please do not write in this area



RBC857551253002004000812

be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, an every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the province of ONTARIO ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(Applicable in all P.P.S.A. except Ontario.) (18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

Please do not write in this area



RBC857551253003004000812

EXECUTED this April 20th, 2018
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

Witness Signature:

Name:

Witness Signature:

Name:

[Handwritten Signature]

ROBERT VELLEND

[Handwritten Signature]

MARTIN VELLEND

Insert the full name and address of Guarantor (Undersigned above).

Full name and address

ROBERT VELLEND
433 HORNER AVE
TORONTO
ONTARIO

CA

MARTIN VELLEND
433 HORNER AVE
TORONTO
ONTARIO

CA

Please do not write in this area



RBC857551253004004000812

This is Exhibit "E" referred to
in the Affidavit of Michael Foster
Sworn this 24th
day of April, 2023.



[Rachel Moses \(Apr 24, 2023 12:46 EDT\)](#)

.....
A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V

RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412124903.70

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(4333)

91

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

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : VELLEND-TECH INC.

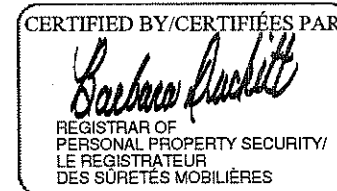
FILE CURRENCY : 11APR 2022

ENQUIRY NUMBER 20220412124903.70 CONTAINS 10 PAGE(S), 4 FAMILY(IES).

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

CYBERBAHN - PAOLA SCARCELLO
199 BAY STREET
TORONTO ON M5L 1E9

CONTINUED... 2



(crfj5 08/2019)

RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412124903.70

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(4334)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : VELLEND-TECH INC.
FILE CURRENCY : 11APR 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
760743063

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20200309 1205 1532 5262 P PPSA 05

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME VELLEND TECH INC. ONTARIO CORPORATION NO.
04 ADDRESS 1-433 HORNER AVE TORONTO ON M8W 4Y4

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / TOYOTA CREDIT CANADA INC.
09 LIEN CLAIMANT ADDRESS 80 MICRO COURT MARKHAM ON L3R 9Z5

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X X 05MAR2025

11 MOTOR YEAR MAKE MODEL VIN
12 VEHICLE 2020 TOYOTA SIENNA 5TBKZ3DC4LS059686

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING D + H LIMITED PARTNERSHIP
17 AGENT ADDRESS 2 ROBERT SPECK PARKWAY, 15TH FLOOR MISSISSAUGA ON L4Z 1H8

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

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crlfu 06/2019)

RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412124903.70

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(4335)

93

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : VELLEND-TECH INC.
FILE CURRENCY : 11APR 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
751773087

00
01 CAUTION FILING PAGE NO. OF TOTAL PAGES MOTOR VEHICLE SCHEDULE REGISTRATION NUMBER REGISTERED UNDER REGISTRATION PERIOD
001 001 20190530 1544 1862 0494 P PPSA 25

02 DEBTOR NAME DATE OF BIRTH BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME

03 VELLEND-TECH INC. 639077
04 433 HORNER AVENUE, UNIT 1 TORONTO ON M8W 4Y4

05 DEBTOR NAME DATE OF BIRTH BUSINESS NAME FIRST GIVEN NAME INITIAL SURNAME

06
07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT VELLEND BROTHERS ENTERPRISES INC.

09 433 HORNER AVENUE, UNIT 1 TORONTO, ONTARIO ON M8W 4Y4

COLLATERAL CLASSIFICATION

10 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO. FIXED MATURITY DATE
X X X X X

11 MOTOR VEHICLE YEAR MAKE MODEL V.I.N.

12
13 GENERAL COLLATERAL DESCRIPTION GENERAL SECURITY AGREEMENT, DATED AS OF SEPTEMBER 15, 1992

14
15 REGISTERING AGENT ANDRIESEN & ASSOCIATES, PROFESSIONAL CORPORATION

16 101 -703 EVANS AVENUE TORONTO ON M9C 5E9

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

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fu 08/2019)

RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412124903.70

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 4
(4336)

94

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : VELLEND-TECH INC.
FILE CURRENCY : 11APR 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
743330133

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20180904 0839 1532 3378 P PPSA 05

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME VELLEND-TECH INC. ONTARIO CORPORATION NO.
04 ADDRESS 1-433 HORNER AVE ETOBICOKE ON M8W 4Y4

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / VW CREDIT CANADA INC.
09 LIEN CLAIMANT ADDRESS 4865 MARC-BLAIN ST., SUITE 300 ST-LAURENT QC H4R 3B2

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X 41620.25 29AUG2022

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE 2018 AUDI Q3 KOMFORT WA1ECCF59JR029852

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING D + H LIMITED PARTNERSHIP
17 AGENT ADDRESS 2 ROBERT SPECK PARKWAY, 15TH FLOOR MISSISSAUGA ON L4J 1H8

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

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
Barbara Aschitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)

RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412124903.70

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 5
(4337)

95

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : VELLEND-TECH INC.
FILE CURRENCY : 11APR 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
616114665

| CAPTION | PAGE | TOTAL | MOTOR VEHICLE | REGISTRATION | REGISTERED | REGISTRATION |
|---------|------|-------|---------------|-------------------------|------------|--------------|
| FILING | NO. | OF | SCHEDULE | NUMBER | UNDER | PERIOD |
| | 01 | 001 | | 20050615 1947 1531 4098 | P PPSA | 5 |

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME VELLEND TECH INC.

ADDRESS 433 HORNER AVENUE, UNIT 1 TORONTO ONTARIO CORPORATION NO. ON M8W 4Y4

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY / LIEN CLAIMANT ROYAL BANK OF CANADA

ADDRESS 180 WELLINGTON ST W. (B.S.C.) 3RD FLOOR TORONTO ON M5J 1J1

| COLLATERAL CLASSIFICATION | | | | MOTOR VEHICLE | AMOUNT | DATE OF | NO FIXED |
|---------------------------|-------|-----------|-----------|---------------|--------|----------|------------------|
| CONSUMER | GOODS | INVENTORY | EQUIPMENT | INCLUDED | | MATURITY | OR MATURITY DATE |
| | X | X | X | X | | | |

MOTOR YEAR MAKE MODEL V.I.N.

VEHICLE

GENERAL COLLATERAL DESCRIPTION

REGISTERING AGENT CANADIAN SECURITIES REGISTRATION SYSTEMS

ADDRESS 4126 NORLAND AVENUE BURNABY BC V5G 3S8

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

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(crj1fu 06/2019)



RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412124903.70

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 6
(4338)

96

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : VELLEND-TECH INC.
FILE CURRENCY : 11APR 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

| CAUTION FILING | PAGE NO. OF | TOTAL MOTOR VEHICLE PAGES SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER | |
|----------------|--------------------------------------|---|-------------------------|------------------|-------------------------|
| 01 | 01 | 001 | 20050616 1950 1531 6033 | | |
| 21 | RECORD FILE NUMBER | 616114665 | | | |
| 22 | PAGE AMENDED | NO SPECIFIC PAGE AMENDED | CHANGE REQUIRED | RENEWAL | CORRECT |
| | | X | A AMENDMENT | YEARS | PERIOD |
| 23 | REFERENCE | FIRST GIVEN NAME | INITIAL | SURNAME | |
| 24 | DEBTOR/ TRANSFEROR | BUSINESS NAME | VELLEND TECH INC. | | |
| 25 | OTHER CHANGE | | | | |
| 26 | REASON/ DESCRIPTION | AMEND DEBTORS NAME | | | |
| 27 | | | | | |
| 28 | | | | | |
| 02/ | DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME | |
| 05/ | DEBTOR/ TRANSFEREE | BUSINESS NAME | VELLEND-TECH INC. | | |
| 03/ | | | | | |
| 06 | | | | | ONTARIO CORPORATION NO. |
| 04/07 | ADDRESS | 433 HORNER AVENUE, UNIT 1 | TORONTO | | ON M6W 4Y4 |
| 29 | ASSIGNOR | | | | |
| 08 | SECURED PARTY/LIEN CLAIMANT/ASSIGNEE | | | | |
| 09 | ADDRESS | | | | |
| | COLLATERAL CLASSIFICATION | | | | |
| | CONSUMER | MOTOR VEHICLE | DATE OF | NO. FIXED | |
| | GOODS | INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED | AMOUNT MATURITY OR | MATURITY DATE | |
| 10 | | | | | |
| 11 | MOTOR | YEAR MAKE | MODEL | V.I.N. | |
| 12 | VEHICLE | | | | |
| 13 | GENERAL | | | | |
| 14 | COLLATERAL | | | | |
| 15 | DESCRIPTION | | | | |
| 16 | REGISTERING AGENT OR | CANADIAN SECURITIES REGISTRATION SYSTEMS | | | |
| 17 | SECURED PARTY/ LIEN CLAIMANT | ADDRESS | 4126 NORLAND AVENUE | BURNABY | BC V5G 3S8 |

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

CONTINUED...

7

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE RÉGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2tu 06/2019)

RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412124903.70

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 7
(4339)

97

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : VELLEND-TECH INC.
FILE CURRENCY : 11APR 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

| CAUTION FILING | PAGE NO. OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER |
|----------------|----------------------------------|--|---|-------------------------|-------------------------|
| 01 | 01 | 001 | | 20100518 1451 1530 5079 | |
| 21 | RECORD REFERENCED | FILE NUMBER | 616114665 | | |
| 22 | PAGE AMENDED | NO SPECIFIC PAGE AMENDED | CHANGE REQUIRED | RENEWAL YEARS | CORRECT PERIOD |
| | | X | B RENEWAL | 5 | |
| 23 | REFERENCE | FIRST GIVEN NAME | INITIAL | SURNAME | |
| 24 | DEBTOR/ TRANSFEROR | BUSINESS NAME | VELLEND-TECH INC. | | |
| 25 | OTHER CHANGE REASON/ DESCRIPTION | | | | |
| 02/ | DEBTOR/ TRANSFEREE | DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME |
| 03/ | TRANSFEE | BUSINESS NAME | | | |
| 06 | | | | | ONTARIO CORPORATION NO. |
| 04/07 | | ADDRESS | | | |
| 29 | ASSIGNOR | SECURED PARTY/LIEN CLAIMANT/ASSIGNEE | | | |
| 08 | | | | | |
| 09 | | ADDRESS | | | |
| | COLLATERAL CLASSIFICATION | CONSUMER | MOTOR VEHICLE | DATE OF | NO. FIXED |
| | | GOODS | INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED | AMOUNT MATURITY OR | MATURITY DATE |
| 10 | | YEAR | MAKE | MODEL | V. I. N. |
| 11 | MOTOR VEHICLE GENERAL | | | | |
| 12 | VEHICLE | | | | |
| 13 | GENERAL | | | | |
| 14 | COLLATERAL DESCRIPTION | | | | |
| 15 | DESCRIPTION | | | | |
| 16 | REGISTERING AGENT OR | CANADIAN SECURITIES REGISTRATION SYSTEMS | | | |
| 17 | SECURED PARTY/ LIEN CLAIMANT | ADDRESS | 4126 NORLAND AVENUE | BURNABY | BC V5G 3S8 |

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

CONTINUED... 8

CERTIFIED BY/CERTIFIÉES PAR
Barbara Aschitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fu 06/2019)

RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412124903.70

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 8
(4340)

98

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : VELLEND-TECH INC.
FILE CURRENCY : 11APR 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

| CAUTION FILING | PAGE NO. OF | TOTAL MOTOR VEHICLE PAGES SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER | | |
|----------------|---|--------------------------------------|---|--------------------|----------------|-------------------------|
| 01 | 01 | 001 | 20150519 0905 1529 6923 | | | |
| 21 | RECORD FILE NUMBER | 616114665 | | | | |
| | PAGE AMENDED | NO SPECIFIC PAGE AMENDED | CHANGE REQUIRED | RENEWAL YEARS | CORRECT PERIOD | |
| 22 | | X | B RENEWAL | 5 | | |
| 23 | REFERENCE | FIRST GIVEN NAME | INITIAL | SURNAME | | |
| 24 | DEBTOR/ TRANSFEROR | BUSINESS NAME | VELLEND-TECH INC. | | | |
| 25 | OTHER CHANGE REASON/ DESCRIPTION | | | | | |
| 02/ | DEBTOR/ TRANSFEREE | DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME | |
| 03/ | TRANSFEE | BUSINESS NAME | | | | ONTARIO CORPORATION NO. |
| 04/07 | ADDRESS | | | | | |
| 29 | ASSIGNOR | SECURED PARTY/LIEN CLAIMANT/ASSIGNEE | | | | |
| 08 | ADDRESS | | | | | |
| 09 | COLLATERAL CLASSIFICATION | CONSUMER | MOTOR VEHICLE | DATE OF | NO FIXED | |
| | GOODS | INVENTORY EQUIPMENT ACCOUNTS OTHER | INCLUDED | AMOUNT MATURITY OR | MATURITY DATE | |
| 10 | YEAR | MAKE | MODEL | V.I.N. | | |
| 11 | MOTOR VEHICLE GENERAL DESCRIPTION | | | | | |
| 12 | REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT | ADDRESS | CANADIAN SECURITIES REGISTRATION SYSTEMS 4126 NORLAND AVENUE | BURNABY | BC | V5G 3S8 |

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

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR
Barbara Aschitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fu 06/2019)

RUN NUMBER : 102
 RUN DATE : 2022/04/12
 ID : 20220412124903.70

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 9
 (4341)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : VELLEND-TECH INC.
 FILE CURRENCY : 11APR 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

| CAUTION FILING | PAGE NO. OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER |
|----------------|--------------------------------------|--|------------------------|-------------------------|------------------|
| 01 | 01 | 001 | | 20200515 1435 1530 7348 | |
| 21 | RECORD REFERENCED | FILE NUMBER | 616114665 | | |
| 22 | PAGE AMENDED | NO. SPECIFIC PAGE AMENDED | CHANGE REQUIRED | RENEWAL YEARS | CORRECT PERIOD |
| | | X | B RENEWAL | 5 | |
| 23 | REFERENCE | FIRST GIVEN NAME | INITIAL | SURNAME | |
| 24 | DEBTOR/ TRANSFEROR | BUSINESS NAME | VELLEND-TECH INC. | | |
| 25 | OTHER CHANGE REASON/ DESCRIPTION | | | | |
| 02/05 | DEBTOR/ TRANSFEREE | DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME |
| 03/06 | TRANSFEEE | BUSINESS NAME | | | |
| 04/07 | ADDRESS | | | | |
| 29 | ASSIGNOR | | | | |
| 08 | SECURED PARTY/LIEN CLAIMANT/ASSIGNEE | | | | |
| 09 | ADDRESS | | | | |
| | COLLATERAL CLASSIFICATION | | | | |
| | CONSUMER GOODS | MOTOR VEHICLE | DATE OF | NO. FIXED | |
| | INVENTORY | EQUIPMENT | AMOUNT | MATURITY OR | MATURITY DATE |
| 10 | YEAR | MAKE | MODEL | V.I.N. | |
| 11 | MOTOR VEHICLE GENERAL | | | | |
| 12 | VEHICLE | | | | |
| 13 | GENERAL | | | | |
| 14 | COLLATERAL DESCRIPTION | | | | |
| 15 | DESCRIPTION | | | | |
| 16 | REGISTERING AGENT OR | CANADIAN SECURITIES REGISTRATION SYSTEMS | | | |
| 17 | SECURED PARTY/ LIEN CLAIMANT | ADDRESS | 4126 NORLAND AVENUE | BURNABY | BC V5G 3S8 |

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

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR
Barbara Duckitt
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj2tu 06/2019)

RUN NUMBER : 102
RUN DATE : 2022/04/12
ID : 20220412124903.70

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 10
(4342)

100

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : VELLEND-TECH INC.
FILE CURRENCY : 11APR 2022

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

| FILE NUMBER | REGISTRATION NUMBER | REGISTRATION NUMBER | REGISTRATION NUMBER | REGISTRATION NUMBER |
|-------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 760743063 | 20200309 1205 1532 5262 | | | |
| 751773087 | 20190530 1544 1862 0494 | | | |
| 743330133 | 20180904 0839 1532 3378 | | | |
| 616114665 | 20050615 1947 1531 4098 | 20050616 1950 1531 6033 | 20100518 1451 1530 5079 | 20150519 0905 1529 6923 |
| | 20200515 1435 1530 7348 | | | |

8 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR
Barbara Luckitt
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crlj5 06/2019)



PERSONAL PROPERTY SECURITY REGISTRATION
SYSTEM (ONTARIO) ENQUIRY RESULTS

Prepared for : Cyberbahn - Paola Scarcello
Search ID : 917234
Date Processed : 4/21/2023 8:51:24 AM
Report Type : PPSA Electronic Response
Search Conducted on : VELLEND-TECH INC.
Search Type : Business Debtor

DISCLAIMER :

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

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

RESPONSE CONTAINS: APPROXIMATELY 5 FAMILIES and 17 PAGES.

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

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 5 ENQUIRY PAGE : 1 OF 17

SEARCH : BD : VELLEND-TECH INC.

00 FILE NUMBER : 616114665 EXPIRY DATE : 15JUN 2025 STATUS :
 01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
 REG NUM : 20050615 1947 1531 4098 REG TYP: P PPSA REG PERIOD: 5
 02 IND DOB : IND NAME:
 03 BUS NAME: VELLEND TECH INC.
 OCN :
 04 ADDRESS : 433 HORNER AVENUE, UNIT 1
 CITY : TORONTO PROV: ON POSTAL CODE: M8W 4Y4
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 ROYAL BANK OF CANADA
 09 ADDRESS : 180 WELLINGTON ST W. (B.S.C.) 3RD FLOOR
 CITY : TORONTO PROV: ON POSTAL CODE: M5J 1J1
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X X
 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS : 4126 NORLAND AVENUE

CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

CONTINUED

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 5 ENQUIRY PAGE : 2 OF 17

SEARCH : BD : VELLEND-TECH INC.

FILE NUMBER 616114665

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 01 OF 001 MV SCHED: 20050616 1950 1531 6033

21 REFERENCE FILE NUMBER : 616114665

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

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: VELLEND TECH INC.

25 OTHER CHANGE:

26 REASON: AMEND DEBTORS NAME

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE: VELLEND-TECH INC.

OCN:

04/07 ADDRESS: 433 HORNER AVENUE, UNIT 1

CITY: TORONTO PROV: ON POSTAL CODE: M8W 4Y4

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

| CITY : | PROV : | POSTAL CODE : | DATE OF | NO FIXED |
|--------|--------|---------------|-------------|----------|
| CONS. | MV | AMOUNT | MATURITY OR | MAT DATE |
| GOODS | INVTRY | EQUIP | ACCTS | OTHER |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |

16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS : 4126 NORLAND AVENUE

CITY : BURNABY PROV : BC POSTAL CODE : V5G 3S8

CONTINUED

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 5 ENQUIRY PAGE : 3 OF 17

SEARCH : BD : VELLEND-TECH INC.

FILE NUMBER 616114665

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 01 OF 001 MV SCHED: 20100518 1451 1530 5079

21 REFERENCE FILE NUMBER : 616114665

22 AMEND PAGE: NO PAGE: X CHANGE: B RENEWAL REN YEARS: 5 CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: VELLEND-TECH INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

| CITY : | PROV : | POSTAL CODE : | | | | | | |
|--------|--------|---------------|----------|-------|------|--------|-------------|----------|
| CONS. | MV | DATE OF | NO FIXED | | | | | |
| GOODS | INVTRY | EQUIP | ACCTS | OTHER | INCL | AMOUNT | MATURITY OR | MAT DATE |

10

11

12

13

14

15

16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS : 4126 NORLAND AVENUE

CITY : BURNABY PROV : BC POSTAL CODE : V5G 3S8

CONTINUED

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 5 ENQUIRY PAGE : 4 OF 17

SEARCH : BD : VELLEND-TECH INC.

FILE NUMBER 616114665

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 01 OF 001 MV SCHED: 20150519 0905 1529 6923

21 REFERENCE FILE NUMBER : 616114665

22 AMEND PAGE: NO PAGE: X CHANGE: B RENEWAL REN YEARS: 5 CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: VELLEND-TECH INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

| CITY : | PROV : | POSTAL CODE : | DATE OF | NO FIXED |
|--------|--------|---------------|-------------|----------|
| CONS. | MV | | MATURITY OR | MAT DATE |
| GOODS | INVTRY | EQUIP | ACCTS | OTHER |
| INCL | AMOUNT | | | |

10

11

12

13

14

15

16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS : 4126 NORLAND AVENUE

CITY : BURNABY PROV : BC POSTAL CODE : V5G 3S8

CONTINUED

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 5 ENQUIRY PAGE : 5 OF 17

SEARCH : BD : VELLEND-TECH INC.

FILE NUMBER 616114665

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 01 OF 001 MV SCHED: 20200515 1435 1530 7348

21 REFERENCE FILE NUMBER : 616114665

22 AMEND PAGE: NO PAGE: X CHANGE: B RENEWAL REN YEARS: 5 CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: VELLEND-TECH INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

| CITY : | PROV : | POSTAL CODE : | DATE OF | NO FIXED |
|--------|--------|---------------|-------------|----------|
| CONS. | MV | | MATURITY OR | MAT DATE |
| GOODS | INVTRY | EQUIP | ACCTS | OTHER |
| INCL | AMOUNT | | | |

10

11

12

13

14

15

16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS : 4126 NORLAND AVENUE

CITY : BURNABY PROV : BC POSTAL CODE : V5G 3S8

END OF FAMILY

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 5 ENQUIRY PAGE : 6 OF 17

SEARCH : BD : VELLEND-TECH INC.

00 FILE NUMBER : 751773087 EXPIRY DATE : 30MAY 2044 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :
 REG NUM : 20190530 1544 1862 0494 REG TYP: P PPSA REG PERIOD: 25
 02 IND DOB : IND NAME:
 03 BUS NAME: VELLEND-TECH INC.
 OCN : 639077
 04 ADDRESS : 433 HORNER AVENUE, UNIT 1
 CITY : TORONTO PROV: ON POSTAL CODE: M8W 4Y4
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 VELLEND BROTHERS ENTERPRISES INC.
 09 ADDRESS : 433 HORNER AVENUE, UNIT 1
 CITY : TORONTO, ONTARIO PROV: ON POSTAL CODE: M8W 4Y4
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X AMOUNT MATURITY MAT DATE
 YEAR MAKE MODEL V.I.N.

11
 12

GENERAL COLLATERAL DESCRIPTION

13 GENERAL SECURITY AGREEMENT, DATED AS OF SEPTEMBER 15, 1992

14
 15

16 AGENT: ANDRIESSEN & ASSOCIATES, PROFESSIONAL CORPORATION

17 ADDRESS : 101 -703 EVANS AVENUE

CITY : TORONTO PROV: ON POSTAL CODE: M9C 5E9

END OF FAMILY

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 5 ENQUIRY PAGE : 7 OF 17

SEARCH : BD : VELLEND-TECH INC.

00 FILE NUMBER : 760743063 EXPIRY DATE : 09MAR 2025 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20200309 1205 1532 5262 REG TYP: P PPSA REG PERIOD: 05
 02 IND DOB : IND NAME:
 03 BUS NAME: VELLEND TECH INC.
 OCN :
 04 ADDRESS : 1-433 HORNER AVE
 CITY : TORONTO PROV: ON POSTAL CODE: M8W 4Y4
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 TOYOTA CREDIT CANADA INC.
 09 ADDRESS : 80 MICRO COURT
 CITY : MARKHAM PROV: ON POSTAL CODE: L3R 9Z5
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X 05MAR2025
 YEAR MAKE MODEL V.I.N.
 11 2020 TOYOTA SIENNA 5TDKZ3DC4LS059686
 12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: D + H LIMITED PARTNERSHIP

17 ADDRESS : 2 ROBERT SPECK PARKWAY, 15TH FLOOR

CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 1H8

END OF FAMILY

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 5 ENQUIRY PAGE : 8 OF 17

SEARCH : BD : VELLEND-TECH INC.

00 FILE NUMBER : 784382103 EXPIRY DATE : 28JUN 2027 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20220628 0856 1532 4321 REG TYP: P PPSA REG PERIOD: 05
 02 IND DOB : 25OCT1958 IND NAME: ROBERT VELLEND
 03 BUS NAME:
 OCN :
 04 ADDRESS : 1-433 HORNER AVE
 CITY : ETOBICOKE PROV: ON POSTAL CODE: M8W 4Y4
 05 IND DOB : IND NAME:
 06 BUS NAME: VELLEND-TECH INC.
 OCN :
 07 ADDRESS : 1-433 HORNER AVE
 CITY : ETOBICOKE PROV: ON POSTAL CODE: M8W 4Y4

08 SECURED PARTY/LIEN CLAIMANT :
 VW CREDIT CANADA INC.
 09 ADDRESS : 4865 MARC-BLAIN ST., SUITE 300
 CITY : ST-LAURENT PROV: QC POSTAL CODE: H4R 3B2
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X 46599.00 20JUN2026
 YEAR MAKE MODEL V.I.N.
 11 2022 AUDI Q3 KOMFORT WA1AECF38N1119970
 12

GENERAL COLLATERAL DESCRIPTION

13
 14
 15

16 AGENT: D + H LIMITED PARTNERSHIP
 17 ADDRESS : 2 ROBERT SPECK PARKWAY, 15TH FLOOR
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 1H8

CONTINUED

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 5 ENQUIRY PAGE : 9 OF 17

SEARCH : BD : VELLEND-TECH INC.

00 FILE NUMBER : 784382103 EXPIRY DATE : 28JUN 2027 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20220628 0856 1532 4321 REG TYP: REG PERIOD:
 02 IND DOB : 25OCT1958 IND NAME: ROBERT D VELLENT
 03 BUS NAME:
 OCN :
 04 ADDRESS : 1-433 HORNER AVE
 CITY : ETOBICOKE PROV: ON POSTAL CODE: M8W 4Y4
 05 IND DOB : 25OCT1958 IND NAME: ROBERT D VELLEND
 06 BUS NAME:
 OCN :
 07 ADDRESS : 1-433 HORNER AVE
 CITY : ETOBICOKE PROV: ON POSTAL CODE: M8W 4Y4

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10
 YEAR MAKE MODEL V.I.N.
 11
 12
 GENERAL COLLATERAL DESCRIPTION
 13
 14
 15
 16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

END OF FAMILY

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 5 ENQUIRY PAGE : 10 OF 17

SEARCH : BD : VELLEND-TECH INC.

00 FILE NUMBER : 792038205 EXPIRY DATE : 03APR 2028 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 8 MV SCHEDULE ATTACHED :
 REG NUM : 20230403 1627 1192 3323 REG TYP: P PPSA REG PERIOD: 05
 02 IND DOB : IND NAME:
 03 BUS NAME: VELLEND-TECH INC.
 OCN :
 04 ADDRESS : 433 HORNER AVENUE, UNIT 1
 CITY : TORONTO PROV: ON POSTAL CODE: M8W 4Y4
 05 IND DOB : IND NAME:
 06 BUS NAME: SALLYPORT COMMERCIAL FINANCE ULC
 OCN :
 07 ADDRESS : 2233 ARGENTIA ROAD, EAST TOWER, SUITE 30
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5N 2X7

08 SECURED PARTY/LIEN CLAIMANT :
 SALLYPORT COMMERCIAL FINANCE ULC
 09 ADDRESS : 2233 ARGENTIA ROAD, EAST TOWER, SUITE 30
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5N 2X7
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 X X X X X
 YEAR MAKE MODEL V.I.N.
 11
 12

GENERAL COLLATERAL DESCRIPTION

13 ALL OF THE PRESENTLY OWNED OR HELD AND AFTER ACQUIRED OR HELD
 14 PROPERTY OF THE DEBTOR OF WHATSOEVER NATURE OF KIND AND WHERESOEVER
 15 SITUATE, AND ALL PROCEEDS AND REPLACEMENTS THEREOF AND THEREFROM,
 16 AGENT: LUMBERMENS CREDIT GROUP LTD.
 17 ADDRESS : 460 ADMIRAL BLVD
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5T 3A3

CONTINUED

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 5 ENQUIRY PAGE : 11 OF 17

SEARCH : BD : VELLEND-TECH INC.

00 FILE NUMBER : 792038205 EXPIRY DATE : 03APR 2028 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 8 MV SCHEDULE ATTACHED :
 REG NUM : 20230403 1627 1192 3323 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:
 OCN :
 04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10
 YEAR MAKE MODEL V.I.N.
 11
 12

GENERAL COLLATERAL DESCRIPTION

13 ACCRETIONS THERETO AND SUBSTITUTIONS THEREFOR, INCLUDING, WITHOUT
 14 LIMITATION, ALL OF THE FOLLOWING NOW OWNED OR HEREAFTER OWNED OR
 15 ACQUIRED BY OR ON BEHALF OF THE DEBTOR - ALL INVENTORY OR WHATEVER
 16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

CONTINUED

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 5 ENQUIRY PAGE : 12 OF 17

SEARCH : BD : VELLEND-TECH INC.

00 FILE NUMBER : 792038205 EXPIRY DATE : 03APR 2028 STATUS :
 01 CAUTION FILING : PAGE : 003 OF 8 MV SCHEDULE ATTACHED :
 REG NUM : 20230403 1627 1192 3323 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:
 OCN :
 04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10
 YEAR MAKE MODEL V.I.N.
 11
 12

GENERAL COLLATERAL DESCRIPTION

13 KIND AND WHEREVER SITUATE, ALL EQUIPMENT (OTHER THAN INVENTORY) OF
 14 WHATEVER KIND AND WHEREVER SITUATE, ALL BOOK ACCOUNTS AND BOOK DEBTS,
 15 DEMANDS OF EVERY NATURE AND KIND HOWSOEVER ARISING OR SECURED

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

CONTINUED

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 5 ENQUIRY PAGE : 13 OF 17

SEARCH : BD : VELLEND-TECH INC.

00 FILE NUMBER : 792038205 EXPIRY DATE : 03APR 2028 STATUS :
 01 CAUTION FILING : PAGE : 004 OF 8 MV SCHEDULE ATTACHED :
 REG NUM : 20230403 1627 1192 3323 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:
 OCN :
 04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10
 YEAR MAKE MODEL V.I.N.
 11
 12

GENERAL COLLATERAL DESCRIPTION

13 INCLUDING LETTERS OF CREDIT AND ADVANCES OF CREDIT, WHETHER NOW OR
 14 HEREAFTER OWNED BY OR BECOMING DUE TO THE DEBTOR (AND ALL DEEDS,
 15 DOCUMENTS, WRITINGS, PAPERS, BOOKS OF ACCOUNT AND OTHER BOOKS AND
 16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

CONTINUED

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 5 ENQUIRY PAGE : 14 OF 17

SEARCH : BD : VELLEND-TECH INC.

00 FILE NUMBER : 792038205 EXPIRY DATE : 03APR 2028 STATUS :
 01 CAUTION FILING : PAGE : 005 OF 8 MV SCHEDULE ATTACHED :
 REG NUM : 20230403 1627 1192 3323 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:
 OCN :
 04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10
 YEAR MAKE MODEL V.I.N.
 11
 12

GENERAL COLLATERAL DESCRIPTION

13 ELECTRONICALLY RECORDED DATA RELATING TO OR EVIDENCING OR SECURING
 14 DEBTS, CHATTEL PAPER OR DOCUMENTS OF TITLE), THE UNDERTAKING OF THE
 15 DEBTOR AND ALL MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS,
 16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

CONTINUED

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 5 ENQUIRY PAGE : 15 OF 17

SEARCH : BD : VELLEND-TECH INC.

00 FILE NUMBER : 792038205 EXPIRY DATE : 03APR 2028 STATUS :
 01 CAUTION FILING : PAGE : 006 OF 8 MV SCHEDULE ATTACHED :
 REG NUM : 20230403 1627 1192 3323 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:
 OCN :
 04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10
 YEAR MAKE MODEL V.I.N.
 11
 12

GENERAL COLLATERAL DESCRIPTION

13 INTANGIBLES AND SECURITIES, ALL INTANGIBLE PROPERTY OF THE DEBTOR AND
 14 ALL PROPERTY WHICH IS OR HEREAFTER BECOMES A FIXTURE OR WHICH
 15 CONSTITUTES A LICENCE, ALL QUOTAS, PERMITS, OR OTHER SIMILAR RIGHTS

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

CONTINUED

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 5 ENQUIRY PAGE : 16 OF 17

SEARCH : BD : VELLEND-TECH INC.

00 FILE NUMBER : 792038205 EXPIRY DATE : 03APR 2028 STATUS :
 01 CAUTION FILING : PAGE : 007 OF 8 MV SCHEDULE ATTACHED :
 REG NUM : 20230403 1627 1192 3323 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:
 OCN :
 04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10
 YEAR MAKE MODEL V.I.N.
 11
 12

GENERAL COLLATERAL DESCRIPTION

13 OR BENEFITS OR CROPS. TERMS USED IN THIS GENERAL COLLATERAL
 14 DESCRIPTION WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT
 15 OF ONTARIO (THE PPSA) HAVE THE MEANINGS SET FORTH IN THE PPSA UNLESS
 16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

CONTINUED

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

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

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: VELLEND-TECH INC.

FILE CURRENCY: April 20, 2023

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 5 ENQUIRY PAGE : 17 OF 17

SEARCH : BD : VELLEND-TECH INC.

00 FILE NUMBER : 792038205 EXPIRY DATE : 03APR 2028 STATUS :
 01 CAUTION FILING : PAGE : 008 OF 8 MV SCHEDULE ATTACHED :
 REG NUM : 20230403 1627 1192 3323 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:
 OCN :
 04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10
 YEAR MAKE MODEL V.I.N.
 11
 12

GENERAL COLLATERAL DESCRIPTION


13 THE CONTEXT OTHERWISE REQUIRES OR THEY ARE OTHERWISE DEFINED HEREIN
 14 OR IN ANY SECURITY AGREEMENT BETWEEN THE DEBTOR AND THE SECURED PARTY
 15 TO WHICH THIS FINANCING STATEMENT APPLIES.

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:
 LAST SCREEN

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

This is Exhibit "F" referred to
in the Affidavit of Michael Foster
Sworn this 24th
day of April, 2023.


Rachel Moses (Apr 24, 2023 12:46 EDT)

.....
A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V



121
Andrew McLaughlin
Senior Commercial Account Manager
1233 The Queensway, Etobicoke, ON, M8Z 1S1
Tel: 647-926-7812

SENT VIA E-MAIL

April 25, 2022

Vellend-Tech Inc.
433 Horner Avenue, Unit #1
Toronto, ON
M8W 4Y4
Robert@vellendtech.com
Martin@vellendtech.com

Attention: Robert Vellend and Martin Vellend

Re: Royal Bank of Canada (“the Bank”) and Vellend-Tech Inc. (“the Company”)

The purpose of this letter is to advise you that the Company’s accounts will be transferred over to RBC’s Special Loans & Advisory Services group to oversee and they will be contacting you to discuss the Company’s financial situation.

It appears that the Company has experienced financial difficulties and the Bank has concerns based on the following:

- operating loans are locked in (lack of fluctuation);
- cash flow difficulties;
- working capital shortfall;
- the Company’s inability to meet the covenants (ie. D/TNW, Current Ratio, Debt Servicing) and conditions which form part of the Company’s agreement with the Bank

Based on our concerns noted above the Company’s risk profile has deteriorated and, as a result, the Bank will require specialized assistance to manage your account going forward. Accordingly, management of your account is to be re-assigned to the below referenced Manager in our Special Loans & Advisory Services group which is located in Toronto.

Michael Foster
Senior Manager, Special Loans & Advisory Services
20 King St. W., 2nd Floor
Toronto, Ontario, M5H 1C4
Email : michael.foster@rbc.com

As Mr. Foster will have responsibility for your account, all future enquiries should be directed to his attention after our meeting date. Until that time I will remain your primary contact at the Bank.

Due to the higher risk and additional administration now attached to your account the Bank will be reviewing all rates and fees being charged which will be increasing.

Any costs that might be incurred by the Bank on account of its professional advisors will be for the Company's account and will be charged to the Company's Current Account from time to time. We will provide you with copies of these invoices if these expenses are incurred.

We remind you that, notwithstanding excesses that may have been permitted in the past, your accounts and loans are to continue to operate and repay as agreed within approved limits. Any cheques and/or debits presented on your accounts will be returned NSF, without notice to you, if such items cause an excess over and above approved limits.


Yours truly,

A handwritten signature in black ink, appearing to read "Andrew McLauchlin". The signature is written in a cursive, slightly slanted style.

Andrew McLauchlin

cc. Michael Foster

This is Exhibit "G" referred to
in the Affidavit of Michael Foster
Sworn this 24th
day of April, 2023.


Rachel Moses (Apr 24, 2023 12:46 EDT)

A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V



MINDEN GROSS LLP
BARRISTERS & SOLICITORS
145 KING STREET WEST, SUITE 2200
TORONTO, ON, CANADA M5H 4G2
TEL 416.362.3711 FAX 416.864.9223
www.mindengross.com

DIRECT DIAL 416-369-4115
E-MAIL rmoses@mindengross.com
FILE NUMBER 4128221

April 26, 2022

PERSONAL & CONFIDENTIAL
REGISTERED MAIL AND ORDINARY MAIL

Vellend-Tech Inc.
433 Horner Avenue, Unit 1
Etobicoke, ON M8W 4Y4

Attn: Martin Vellend and Robert Vellend

Dear Sirs:

Re: Royal Bank of Canada ("Bank") and Vellend-Tech Inc. ("Company")

We have been retained by the Bank in respect of the indebtedness owing to it by the Company.

As you are no doubt aware, the indebtedness owing by the Company to the Bank is repayable on demand. We have been advised by the Bank that as at April 26, 2022 the Company is indebted to it in the following amounts:

1. in respect of a revolving demand facility, in the amount of \$978,141.72, comprising principal in the amount of \$975,000.00 and accrued interest to and including April 26, 2022 in the amount of \$3,141.72. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate plus 0.85% per annum. The per diem amount on the aforesaid principal amount, given the Bank's current prime rate, is \$108.18; and
2. in respect of Visa account numbers 4516 0700 0348 1878, and 4516 0700 0348 1963, in the amounts of \$23,712.68 and \$14,058.16 respectively as at April 26, 2022. Interest continues to accrue on the aforesaid amount at the rate in effect from time to time in accordance with your Visa arrangements with the Bank.

On behalf of the Bank, we hereby advise you that the right of the Company to make any further borrowings under its agreement(s) with the Bank, and the obligation of the Bank to provide such borrowings, is hereby terminated and the indebtedness owing to the Bank by the Company expressed above is hereby declared to be immediately due and payable. Accordingly, on behalf of the Bank, we hereby formally make demand upon the Company for the payment by no later than May 6, 2022 of the amounts expressed above and all interest accruing thereon up until the



date of payment in full and for all other amounts which the Company is liable for to the Bank in accordance with the security delivered by the Company to the Bank, including, without limitation, legal fees on a full indemnity basis.

In the event payment is not made as requested, we must advise you that the Bank reserves its rights to take such further steps as are necessary to recover the indebtedness and liabilities owing by the Company to the Bank, including, without limitation, the appointment of a receiver and manager of the property, assets and undertaking of the Company.

We further advise the Company that the Bank expressly reserves its rights to take such further steps as are necessary at any time prior to May 6, 2022 without further notice to you if the Bank becomes aware of any matter which may impair its security. In addition, the Bank expressly reserves its rights not to make further advances to you or to honour any cheques drawn on the accounts maintained by you with the Bank. However, in the event the Bank, in its discretion, makes such advances or honours such cheques, such conduct shall not extend the time to make payment as set out herein or impose any obligation on the Bank to make further advances or honour further cheques and any additional indebtedness arising therefrom shall be immediately repayable to the Bank.

We further advise you that the Bank reserves the right to cancel at any time, without further notice to you, your Visa card privileges in respect of account numbers 4516 0700 0348 1878, and 4516 0700 0348 1963.

We enclose a notice of intention to enforce security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

Yours truly,
MINDEN GROSS LLP
Per:

R. Moses

Rachel Moses
RM/th
Enc.

cc Royal Bank of Canada
Attn: Michael Foster – Manager, Special Loans and Advisory Services

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)
SECTION 244**

**PERSONAL & CONFIDENTIAL
REGISTERED MAIL AND ORDINARY MAIL**

TO: VELLEND-TECH INC., an insolvent person

TAKE NOTICE THAT:

1. **Royal Bank of Canada**, a secured creditor, intends to enforce its security on the insolvent person's property described below:

all personal property of the insolvent person, including, without limitation, all inventory, equipment, machinery, fixtures, book debts, contractual rights, monies, chattel paper, intellectual property and goodwill of the insolvent person, together with all proceeds, additions, accretions and substitutions therefor.

2. The security that is to be enforced is in the form of a General Security Agreement dated June 7, 2005.
3. The total amount of indebtedness secured by the security as at April 26, 2022 is \$1,015,912.56, plus all legal and other expenses incurred by the secured creditor, which expenses are secured by the above-noted security.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto this 26th day of April, 2022.

ROYAL BANK OF CANADA
by its solicitors, MINDEN GROSS LLP

Per:

R. Moses
Rachel Moses



MINDEN GROSS LLP
BARRISTERS & SOLICITORS
145 KING STREET WEST, SUITE 2200
TORONTO, ON, CANADA M5H 4G2
TEL 416.362.3711 FAX 416.864.9223
www.mindengross.com

DIRECT DIAL 416-369-4115
E-MAIL rmoses@mindengross.com
FILE NUMBER 4128221

April 26, 2022

PERSONAL & CONFIDENTIAL
REGISTERED MAIL AND ORDINARY MAIL

Table with 2 columns and 3 rows containing recipient addresses for Robert Vellend and Martin Vellend.

Dear Sirs:

Re: Royal Bank of Canada ("Bank") and Vellend-Tech Inc. ("Company")

We have been retained by the Bank in respect of the indebtedness owing to it by each of you.

As each of you are aware, you each jointly and severally guaranteed all of the indebtedness and liabilities, present or future, direct or indirect, absolute or contingent, matured or not at any time owing by the Company to the Bank or remaining unpaid by the Company to the Bank under a guarantee and postponement of claim dated April 20, 2018 limited to the sum of \$925,000.00.

As at April 26, 2022, the Company is indebted to the Bank in the following amounts:

- 1. in respect of a revolving demand facility, in the amount of \$978,141.72, comprising principal in the amount of \$975,000.00 and accrued interest to and including April 26, 2022 in the amount of \$3,141.72. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate plus 0.85% per annum. The per diem amount on the aforesaid principal amount, given the Bank's current prime rate, is \$108.18; and



2. in respect of Visa account numbers 4516 0700 0348 1878, and 4516 0700 0348 1963, in the amounts of \$23,712.68 and \$14,058.16 respectively as at April 26, 2022. Interest continues to accrue on the aforesaid amount at the rate in effect from time to time in accordance with your Visa arrangements with the Bank.

On behalf of the Bank, we hereby formally make demand upon each of you for the payment by no later than May 6, 2022 of the sum of \$925,000.00 plus interest accruing under your guarantee and postponement of claim from the date hereof up until the date of payment in full and the legal fees on a scale as between a solicitor and his own client incurred by the Bank in connection with the collection of the amounts referred to above.

In the event payment is not made as requested, the Bank shall commence such legal proceedings it is entitled to commence against each of you in connection with your liabilities and obligations under the aforesaid guarantee and postponement of claim.

We further advise you that the Bank expressly reserves its rights to take such further steps as are necessary at any time prior to May 6, 2022 without further notice to either of you if the Bank becomes aware of any matter which may impair its security.


If you wish to discuss this matter with us, please contact us immediately either directly or through your solicitor.

Yours truly,
MINDEN GROSS LLP

Per:
R. Moses
Rachel Moses
RM/th

cc Royal Bank of Canada
Attn: Michael Foster – Manager, Special Loans and Advisory Services

This is Exhibit "H" referred to
in the Affidavit of Michael Foster
Sworn this 24th
day of April, 2023.


Rachel Moses (Apr 24, 2023 12:46 EDT)

.....
A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V

FORBEARANCE AGREEMENT

THIS AGREEMENT made as of the 9th day of May, 2022

AMONG:

ROYAL BANK OF CANADA
(the "Bank")

- and -

VELLEND-TECH INC.
(the "Borrower")

- and -

ROBERT VELLEND
(**"Robert"**)

- and -

MARTIN VELLEND
(**"Martin"**)

WHEREAS:

1. The Bank has made available certain Credit Facilities to the Borrower on the terms and conditions established under the Credit Agreement.
2. The Guarantors have executed and delivered the Guarantee to the Bank.
3. On April 26, 2022, the Bank made demand on the Borrower for repayment of the Indebtedness and issued to the Borrower an NOI Notice.
4. On April 26, 2022, the Bank made demand upon the Guarantors in respect of the Indebtedness.
5. The Borrower and Guarantors have requested that the Bank forbear from enforcing its rights and remedies under the Security so as to provide them with the opportunity to provide the Borrower with the opportunity to obtain alternative financing to repay the Indebtedness.
6. As an inducement to the Bank agreeing to so forbear, the Borrower and Guarantors have agreed to enter into this Agreement and to comply with the terms and provisions contained herein

NOW THEREFORE in consideration of the acknowledgements, confirmations, covenants and agreements contained herein, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto), each of the Parties hereto hereby agree with each other as follows:

ARTICLE 1
INTERPRETATION

1.01 Definitions: Unless otherwise specifically defined in this Agreement, all capitalized terms used in this Agreement shall have the meanings ascribed to them in the Credit Agreement. The following terms shall have the following meanings:

- (a) **“Account”** means the bank accounts of the Borrower maintained at the Bank as account number 00002-1363266 (CDN Dollar Account) and 00002-4062212 (USD Dollar Account) (collectively the **“Account”**);
- (b) **“Assets”** means all of the personal property, tangible or intangible and undertakings of the Borrower in respect of which the Bank holds Security;
- (c) **“BIA”** means the *Bankruptcy and Insolvency Act* (Canada);
- (d) **“Business Day”** means a day other than a Saturday, Sunday, statutory holiday in the Province of Ontario, or any other day on which the Schedule 1 Canadian Chartered Banks located in the City of Toronto are not open for business during normal banking hours;
- (e) **“Business Premises”** means Unit 1, 433 Horner Avenue, Etobicoke, Ontario;
- (f) **“Credit Agreement”** means the credit facilities letter agreement dated March 10, 2022, executed and delivered by the Borrower to the Bank, as amended, revised, restated, replaced and supplemented from time to time, establishing the credit facilities set forth in section 2.01(a) and (b) hereof;
- (g) **“Credit Facilities”** means the credit facilities established by the Bank in favour of the Borrower pursuant to the Credit Agreement;
- (h) **“Event of Default”** means the occurrence of any one or more of the events set forth in Article 9 of this Agreement;
- (i) **“Existing Security”** means individually and collectively: (i) the security as more particularly set forth in Schedule “A” attached hereto, and (ii) the guarantee and postponement of claim as more particularly set forth in Schedule “B” attached hereto;
- (j) **“Guarantee”** means the Guarantee and Postponement of Claim executed and delivered to and in favour of the Bank by the Guarantors listed in Schedule “B” attached hereto;

- (k) **"Guarantors"** mean collectively, Robert and Martin and **"Guarantor"** means any one of them;
- (l) **"HASCAP Credit Agreement"** means the credit facilities letter agreement dated October 28, 2021, executed and delivered by the Borrower to the Bank, as amended, revised, restated, replaced and supplemented from time to time, establishing the HASCAP Facility set forth in section 2.01(c) hereof;
- (m) **"Indebtedness"** means the amounts set forth in sections 2.01(a) and (b) and 2.02 hereof;
- (n) **"Lease"** means the lease of the Business Premises;
- (o) **"New Security"** means the collateral mortgage as more particularly set forth in **Schedule "C"** attached hereto;
- (p) **"NOI Notice"** means a Notice of Intention to Enforce Security issued by the Bank pursuant to section 244(1) of the BIA;
- (q) **"Operating Line"** means Facility #1 established under the Credit Agreement in the amount of \$1,000,000.00, reducing to \$800,000.00 on June 30, 2022 and referenced in subsection 2.01(a) herein;
- (r) **"Parties"** means any one or more of the parties referred to in this Agreement, as the context may require;
- (s) **"Prime Rate"** means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on Canadian Dollar commercial loans in Canada;
- (t) **"Priority Payable Authorizations"** shall have the meaning ascribed thereto in subsection 6.01(k);
- (u) **"Priority Payables"** shall have the meaning ascribed thereto in subsection 6.01(k);
- (v) **"Real Property"** means 57A Woodbury Road, Toronto, Ontario;
- (w) **"Security"** means collectively all of the security delivered by the Borrower, or any other person, to the Bank as security for the Indebtedness and obligations of the Borrower to the Bank pursuant to the Credit Agreement, the HASCAP Credit Agreement, this Agreement, or otherwise, or that may be delivered by the Borrower, or any other person, to the Bank to secure the Indebtedness and obligations of the Borrower to the Bank, including, without limitation, the Existing Security listed the New Security; and

- (x) **"Visa Facility"** means the Visa Facility established under the Credit Agreement up to the maximum amount of \$50,000.00 and referenced in subsection 2.01(b) herein.

ARTICLE 2 **CREDIT FACILITIES**

2.01 Acknowledgement of Indebtedness: The Borrower and Guarantors acknowledge that, as at May 9, 2022, the Borrower is indebted to the Bank:

- (a) in respect of a revolving demand facility (the **"Operating Line"**), in the amount of \$991,436.36. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate plus 0.85% per annum;
- (b) in respect of a Visa facility (the **"Visa Facility"**) being Visa account numbers 4516 0700 0348 1878, and 4516 0700 0348 1963, in the amounts of \$24,251.53 and \$12,748.60 respectively as at May 9, 2022. Interest continues to accrue on the aforesaid amount at the rate in effect from time to time in accordance with your Visa arrangements with the Bank; and
- (c) in respect of a non-revolving term facility by way of a fixed rate term loan (the **"HASCAP Facility"**), in the amount of \$250,109.59.

2.02 Interest, Etc.: The Borrower and Guarantors acknowledge that interest on the amounts set forth in section 2.01(a) and (b) above, as well as all costs, fees, expenses and other monies incurred by the Bank in connection with the Security, the Indebtedness, including, without limitation, further advances, if any, made by the Bank under the Credit Agreement or hereunder, the collection of the Indebtedness, any appraisals and investigation of the Assets and the Security, enforcement of the Security, the negotiation, preparation and enforcement of this Agreement and any amendments hereto and the New Security, and any disbursements, and the full amount of all legal and other professional fees incurred by the Bank in connection with all of the same shall be added to and are deemed to form part of the Indebtedness.

ARTICLE 3 **ACKNOWLEDGEMENTS**

3.01 Acknowledgements by the Borrower: The Borrower hereby confirms and acknowledges to the Bank that:

- (a) each of the foregoing recitals are true and accurate both in substance and in fact;
- (b) the Indebtedness is due and owing to the Bank and the Borrower has no right or claim of set-off, counterclaim, damages or any similar right or claim against the Bank in connection with the Indebtedness;

- (c) the Bank had the right to demand repayment of the Indebtedness, and issue the NOI Notice referred to in the above recitals, and the right, as at the date hereof, to enforce the Security as the 10 day period set out in the NOI Notice has expired;
- (d) the Security is, and when the New Security is delivered, and any other security delivered by the Borrower, or any other person, to the Bank to secure the Indebtedness after the date hereof, will be in full force and effect, constitute legal, valid and binding obligations of the Borrower, or the person granting such security, enforceable against the Borrower, and the person granting such security, and the Borrower hereby waives and agrees not to assert or cause to be asserted on its behalf, and is hereby estopped from asserting or causing to be asserted on its behalf, any defences or rights with respect to the legal effect of the Security or the legality, validity or binding effect of the obligations of the Borrower thereunder and the enforceability of same;
- (e) except as provided for in this Agreement, the Bank (either by itself or through its employees or agents) has made no promises, nor has it taken any action or omitted to take any action which would constitute a waiver of its right to take any enforcement action in connection with the enforcement of the Security, or which would estop it from so doing and that no statement, representation, promise, act or omission by the Bank or its employees or agents shall create such a waiver or estoppel unless the Bank executes and delivers to the Borrower a written waiver of any such rights; and
- (f) the Borrower has been provided with a reasonable opportunity to seek legal advice with respect to the execution and delivery of this Agreement and has either done so or has decided to execute and deliver the same to the Bank without obtaining such legal advice.

3.02 Acknowledgements by the Guarantors: The Guarantors hereby acknowledge and confirm that:

- (a) each of the foregoing recitals are true and accurate both in substance and in fact;
- (b) the Indebtedness is due and owing to the Bank and the Borrower has no right or claim of set-off, counterclaim, damages or any similar right or claim against the Bank in connection with the Indebtedness;
- (c) the Bank had the right to demand repayment of the Indebtedness, and issue the NOI Notice referred to in the above recitals, and the right, as at the date hereof, to enforce the Security as the 10 day period set out in the NOI Notice has expired;
- (d) the Security is, and when the New Security is delivered, and any other security delivered by the Borrower, or any other person, to the Bank to secure the

Indebtedness after the date hereof, will be in full force and effect, constitute legal, valid and binding obligations of the Borrower, or the person granting such security, enforceable against the Borrower, and the person granting such security, and the Guarantors hereby waive and agree not to assert or cause to be asserted on their behalf and are hereby estopped from asserting or causing to be asserted on their behalf, any defences or rights in relation to any matter, cause or thing whatsoever existing to the date hereof with respect to the legal effect of the Security or the legality, validity or binding effect of the obligations of the Borrower thereunder and the enforceability of same;

- (e) there is no dispute respecting the liability of the Guarantors in connection with the Indebtedness and the obligations of the Guarantors to repay the Indebtedness according to the provisions of the Guarantee delivered by the Guarantors;
- (f) the Guarantee delivered by the Guarantors is in full force and effect, constitutes legal, valid and binding obligations of the Guarantors, is enforceable against the Guarantors and the Guarantors hereby waive and agree not to assert or cause to be asserted on their behalf and is hereby estopped from asserting or causing to be asserted on their behalf, any defences or rights with respect to the legal effect of the Guarantee or the legality, validity or binding effect of the obligations of the Guarantors thereunder and the enforceability of same;
- (g) the Guarantors consent to the Borrower entering into this Agreement;
- (h) notwithstanding the terms of the Guarantee, the Security, including the New Security, the Credit Agreement, this Agreement, or of any other agreement, whether written or oral, between the Bank and the Guarantors, the Bank shall be entitled to rely upon the Guarantee in respect of any amounts comprising the Indebtedness;
- (i) except as provided in this Agreement, the Bank (either by itself or through its employees or agents) has made no promises, nor has it taken any action or omitted to take any action which would constitute a waiver of its right to take any enforcement action in connection with the enforcement of the Security, or which would estop it from so doing and that no statement, representation, promise, act or omission by the Bank or its employees or agents shall create such a waiver or estoppel unless the Bank executes and delivers to the Borrower or Guarantors a written waiver of any such rights following the date hereof; and
- (j) the Guarantors have been provided with a reasonable opportunity to seek legal advice with respect to the execution and delivery of this Agreement and have either done so or have decided to execute and deliver the same to the Bank without obtaining such legal advice.

3.03 Tolling Provisions:

- (a) As of the date hereof and continuing until the termination of the Forbearance Period (defined herein) and thereafter until the termination of the tolling arrangements hereof in the manner provided for at paragraph 3.03(b) and whether or not demand for payment or an NOI Notice(s) have previously been delivered by the Bank in respect of the Indebtedness, the Bank, the Borrower and the Guarantors hereby agree to toll and suspend the running of the applicable statutes of limitations, laches or other doctrines related to the passage of time in relation to the Indebtedness, the Security, and any entitlements arising from the Indebtedness or the Security and any other related matters, and each of the parties confirm that this Agreement is intended to be an agreement to suspend or extend the basic limitation period, provided by section 4 of the *Limitations Act*, 2002 (Ontario) as well as the ultimate limitation period provided by section 15 of the *Limitations Act*, 2002 (Ontario) in accordance with the provisions of section 22(2) of the *Limitations Act*, 2002 (Ontario) and as a business agreement in accordance with the provisions of section 22(5) of the *Limitations Act*, 2002 (Ontario) and any contractual time limitation on the commencement of proceedings, any claims or defences based upon such applicable statute of limitations, contractual limitations, or any time related doctrine including waiver, estoppel or laches; and
- (b) the tolling provisions of this Agreement will terminate upon any party providing the others with 45 days written notice of an intention to terminate the tolling provisions hereof, and upon the expiry of such 45 day notice, and any time provided for under the statutes of limitations, laches, or any other doctrine related to the passage of time in relation to the Indebtedness, the Security or any entitlements arising from the Indebtedness or the Security and any other related matters, will recommence running as of the effective date of such notice, and for greater certainty the time during which the limitation period is suspended pursuant to the tolling provisions of this Agreement shall not be included in the computation of any limitation period.

ARTICLE 4 WAIVER AND RELEASE

4.01 Waiver and Release: The Borrower and Guarantors acknowledge and agree that, to the date hereof, the Bank's administration of the Credit Facilities, and its conduct and actions in dealing with the Borrower and Guarantors, have been fair and reasonable and hereby waive and agree not to assert or cause to be asserted on behalf of any of them, and are hereby estopped from asserting or causing to be asserted on behalf of any of them, any defences, rights or claims on any grounds whatsoever with respect to such administration, conduct, action and dealings, and hereby absolutely, unconditionally and irrevocably release and remise the Bank (and its present and former affiliates, subsidiaries, divisions, predecessors, directors, officers, employees, agents and other representatives and their successors and assigns) of and from any and all demands, actions, causes of action, suits, covenants, contracts, controversies,

agreements, promises, sums of money, accounts, bills, reckonings, damages and any other claims, counterclaims, defences, rights of set-off, demands and liabilities of any nature and kind whatsoever, known or unknown, both at law and in equity that the Borrower or Guarantors or any of their successors, assigns, or other legal representatives may now or hereafter have against the Bank. The Borrower and Guarantors hereby waive any and all rights they may have to assess any of the legal fees previously paid or payable by the Bank to its solicitors in connection with or in any way related to the parties hereto whether such rights of assessment arises pursuant to the *Solicitors Act* (Ontario) or under any other law or statute. Further, in executing and delivering this Agreement, the Borrower and Guarantors acknowledge and agree that they are acting freely and without duress and that this release may be pleaded as a full and complete defence and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of that release and that no fact, event, circumstance, evidence or transaction which could now be asserted or which may later be discovered will affect in any manner the final, absolute and unconditional nature of this release.

ARTICLE 5 **FORBEARANCE**

- 5.01 Implementation of Plan:** The Borrower and Guarantors hereby covenant and agree to and with the Bank that: (i) they shall, and each shall ensure that the other, honours and fulfils the terms and provisions set forth in this Article 5; and (ii) the Indebtedness shall be repaid by no later than 12:00 p.m. on September 30, 2022.
- 5.02 Forbearance Period:** Subject to the terms and conditions of this Agreement, the Bank agrees that it will forbear from the exercise of its rights and remedies against the Borrower and Guarantors in respect of the Indebtedness for the period of time ("**Forbearance Period**") commencing with the execution and delivery of this Agreement until the earlier of:
- (a) September 30, 2022; or
 - (b) the date that the Bank becomes aware of an Event of Default that occurred prior to the date hereof that was not disclosed to it by the Borrower or Guarantors; or
 - (c) the occurrence of an Event of Default following the date hereof.

The Borrower and Guarantors acknowledge that the Bank shall have no obligation to continue to forbear after the expiration of the Forbearance Period, and that the Indebtedness shall become due and payable on September 30, 2022.

- 5.03 Amendments to the Credit Agreement:** The Borrower and Guarantors acknowledge that, effective as at the date of this Agreement, the Credit Agreement is deemed to have been amended as follows:

- (a) During the Forbearance Period, the credit to be drawn under the Operating Line shall be increased by \$200,000.00, such that the maximum credit available to be drawn under the Operating Line shall be \$1,200,000.00. The Operating Line is to reduce to \$800,000 on June 30, 2022. In accordance with the Credit Agreement.
- (b) Under the "Reporting Requirements" section, paragraph e) is added as follows:
 - e) monthly aged listing of accounts receivable and accounts payable within 10 days of each month commencing May 20, 2022;

5.04 New Security: The agreement of the Bank to increase the credit to be drawn under the Operating Line and forbear from the exercise of its rights and remedies as contemplated herein is conditional upon the delivery of a second ranking collateral mortgage against the Business Premises in the amount of \$400,000.00, and related documentation, as security for the Guarantee and the Indebtedness owing to the Bank. The executed New Security shall be returned to the Bank by Robert no later than five Business Days' after the delivery of the New Security by the Bank to Robert and the failure to deliver the New Security in accordance with the timeline provided herein shall constitute an Event of Default under this Agreement.

5.05 Servicing and Reduction of the Indebtedness: Notwithstanding any other provision of this Agreement, the Borrower shall honour all payment obligations in accordance with the provisions of the Credit Agreement and cause the Indebtedness to be permanently reduced as follows:

- (a) the proceeds from all sales, transfers or other disposition of the Assets, or any portion thereof, outside of the ordinary course of the Borrower's business, shall be deposited into the Account and applied by the Bank to permanently reduce the Indebtedness.

Notwithstanding any of the foregoing, the Bank reserves the right to apply the monies received under subsection 5.05(a) against the Indebtedness in such manner as it determines in its sole and absolute discretion.

ARTICLE 6 COVENANTS

6.01 The Borrower and Guarantors hereby jointly and severally covenant and agree with the Bank as follows:

- (a) **Maintain Corporate Status:** The Borrower shall maintain, and the Guarantors shall ensure that the Borrower maintains its corporate existence as a valid and subsisting corporate entity;

- (b) **No Additional Shares:** The Borrower shall not, and the Guarantors shall ensure that the Borrower does not, issue any additional shares from treasury, or permit any of its shares to be transferred or redeemed except with the prior written consent of the Bank;
- (c) **No Corporate Changes:** The Borrower shall not, and the Guarantors shall ensure that the Borrower does not merge, amalgamate or consolidate, with any other corporation except with the prior written consent of the Bank;
- (d) **No Further Obligations:** The Borrower shall not, and the Guarantors shall ensure that the Borrower does not, incur or become liable for any borrowed money, or for the purchase price of assets, obligations and leases, obligations under letters of credit or guarantees or indemnities, obligations given pursuant to bankers' acceptances or indemnities in connection therewith, or any contingent obligation, including, without limitation, guarantees, endorsements or bills of exchange, obligations to purchase assets and obligations to make advances or otherwise provide financial assistance to any other entity without the prior written consent of the Bank, except any of the same which is in the ordinary course of the business of the Borrower, provided, however, that nothing herein shall preclude the Borrower from incurring and becoming liable for borrowed money provided the same is used by the Borrower to repay the Indebtedness in accordance with and pursuant to this Agreement;
- (e) **Notice of Proceedings:** The Borrower shall deliver to the Bank, and the Guarantors shall ensure that the Borrower delivers to the Bank, prompt notice of any dispute, litigation, arbitration or administrative proceedings affecting any of the Assets or the Real Property that is before or of any court, arbitration, tribunal or governmental authority;
- (f) **No Agreements:** Except as expressly permitted herein, the Borrower shall not, and the Guarantors shall ensure that the Borrower, does not, enter into any agreement or employ any strategy, either directly or indirectly, which would affect the ranking of the Security, encumber, restrict or otherwise impair the Assets or the marketability thereof and the Borrower shall work diligently, toward the overall implementation of this Agreement;
- (g) **No Further Security:** The Borrower shall not, and the Guarantors shall ensure that the Borrower does not, grant, execute or deliver any security interests, mortgages, hypothecs, liens, charges, pledges or other encumbrances whatsoever to any person, firm, corporation or other legal entity without the prior written consent of the Bank; however, nothing herein shall preclude the Borrower from granting security against the Assets provided the same is delivered to secure borrowed money that is used by the Borrower to repay the Indebtedness in accordance with and pursuant to this Agreement;
- (h) **Payment of Bonuses, Etc.:** The Borrower shall not, and the Guarantors shall ensure that the Borrower does not, without the prior written consent of the

Bank, incur any capital expenditures, or make any payments, whether directly or indirectly, to any of their shareholders or any other persons, whether by way of dividends, capital dividends, redemption or retraction of shares, bonuses or otherwise;

- (i) **No Repayment to Related Persons:** Until the Indebtedness is repaid in full, there shall be no repayment of any amounts owing by the Borrower to any "related person" as such term is defined under the BIA, without the prior written consent of the Bank;
- (j) **Notice of Event of Default:** The Borrower shall give to the Bank and the Guarantors shall ensure that the Borrower gives to the Bank, prompt notice of any Event of Default or any event which, with notice or lapse of time or both, would constitute an Event of Default;
- (k) **Statutory Remittances:** The Borrower shall, and the Guarantors shall cause the Borrower to, keep current all amounts owing by the Borrower to the Crown, including, without limitation, amounts owing under the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Retail Sales Tax Act* (Ontario) and any other federal, provincial or municipal laws which could give rise to a claim against the Bank in priority to the Security held by the Bank against the Assets (collectively, the "**Priority Payables**"). The Borrower hereby authorizes and directs any entity having information in respect of the Priority Payables to release such information to the Bank or its agents to assist the Bank in evaluating the existence and extent of any indebtedness owing by the Borrower to such entity and the Borrower shall at the request of the Bank execute and deliver such authorizations and consents as the Bank may require in respect of same (the "**Priority Payable Authorizations**");
- (l) **Payment of Priority Payables:** The Borrower shall provide to the Bank, and the Guarantors shall cause the Borrower to provide to the Bank, evidence satisfactory to the Bank, in its sole and absolute discretion (including, among other things, RT, RP and RC reports of the Borrower) that all the Priority Payables have been paid and are current which reports are due on i) May 20, 2022; ii) July 15, 2022 and iii) September 26, 2022 or at the time of repayment of the Indebtedness;
- (m) **Leases:** The Borrower shall maintain, and the Guarantors shall ensure that the Borrower maintains, the Lease and any and all other leases respecting premises upon which it carries on its business operations, or upon which the Assets, or any part thereof, may at any time be situate, in good standing, including, without limitation the payment of rent (and all taxes and other charges payable as rent) when due under such leases;
- (n) **Equipment Suppliers:** The Borrower shall, and the Guarantors shall cause the Borrower to, keep current all of its obligations to third parties that have or

may be granted a lien, charge or security interest in any equipment forming part of the Assets;

- (o) **No Movement of Assets:** The Assets shall not be moved or otherwise relocated from the Business Premises without the prior written consent of the Bank;
- (p) **Financial Reporting:** The Borrower shall honour, and the Guarantors shall cause the Borrower to honour, all financial reporting covenants contained in this Agreement, the Credit Agreement and the HASCAP Credit Agreement;
- (q) **Bank Account:** The Borrower and Guarantors shall ensure that all monies generated by the Borrower in the course of its business operations are deposited into the Account or any other account maintained by the Borrower at the Bank and the Borrower shall only maintain accounts at the Bank;
- (r) **Account Debit Authorization:** The Borrower hereby authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any account in the name of the Borrower for all amounts payable under this Agreement;
- (s) **Compliance:** The Borrower and the Guarantors shall comply, and each shall ensure that the other complies in all respects with all terms and provisions of this Agreement, the Credit Agreement, the HASCAP Credit Agreement, the Security and the Guarantee;
- (t) **Cooperation On Enforcement:** Should an Event of Default occur and the Bank exercises its rights and remedies under this Agreement, the Security, the Guarantee, the Credit Agreement or the HASCAP Credit Agreement, the Borrower shall assist, and the Guarantors shall ensure that the Borrower assists, the Bank in the exercise of such rights and remedies, including, without limitation, assisting the Bank in securing possession of the Assets and providing such assistance as is requested in the sale of same;
- (u) **Consent To Judgment:** The Borrower and each Guarantor shall, contemporaneously with the execution and delivery of this Agreement, execute and deliver to and in favour of the Bank a Consent to Judgment in the form attached hereto as **Schedule "D"** (the "**Consent to Judgment**"), provided that the Bank shall not be entitled to rely upon the Consent to Judgment until the occurrence of an Event of Default; and
- (v) **Consent To Appointment:** The Borrower shall, contemporaneously with the execution and delivery of this Agreement, execute and deliver to and in favour of the Bank a Consent to a Court-Appointed Receiver in the form attached hereto as **Schedule "E"** (the "**Consent to Appointment**"), provided that the Bank shall not be entitled to rely upon the Consent to Appointment until the occurrence of an Event of Default; and

- (w) **Realty Tax Arrears:** The Borrower shall, and the Guarantor shall cause the Borrower to, deliver to the Bank on or before March 4, 2022, a realty tax certificate from the City of Mississauga confirming that the Realty Tax Arrears have been paid in full and that the Borrower is current with all amounts owing to the City of Mississauga in connection with realty taxes for the Mississauga Property; and
- (x) **Progress Reports:** The Borrower shall deliver to the Bank, and the Guarantors shall cause the Borrower to deliver to the Bank on i) July 31, 2022 a discussion paper or term sheet from another financial institution (the "New Lender") detailing the terms being offered to the Borrower for the repayment of the Indebtedness; and ii) August 31, 2022 a commitment letter from the New Lender confirming that it will provide financing to the Borrower for the repayment of the Indebtedness by September 30, 2022.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES

7.01 Representations and Warranties: The Borrower and the Guarantors represent and warrant to and in favour of the Bank and acknowledge that the Bank is relying upon such representations and warranties in entering into this Agreement as follows:

- (a) The Borrower is a corporations duly incorporated, organized and subsisting under the laws of the Province of Ontario;
- (b) The Borrower has all necessary power and authority and is duly qualified and holds all necessary licenses and/or registrations to carry on its business as now conducted and to enter into and perform its obligations under this Agreement;
- (c) the execution, delivery and performance of this Agreement by the Borrower and the performance of its obligations hereunder:
 - (a) have been duly authorized by all necessary corporate actions;
 - (b) do not conflict with or result in a breach or violation of or constitute a default under;
 - A. the constating documents or by-laws of the Borrower;
 - B. any law, rule, regulation, order, judgment, writ, injunction or decree applicable to the Borrower; and
 - C. any commitment, agreement or other instrument to which the Borrower is now a party or otherwise bound: and
 - (c) does not require the consent or approval of any third party;

- (d) all amounts owing by the Borrower under the *Income Tax Act* (Canada), *Excise Tax Act* (Canada), *Retail Sales Tax Act* (Ontario) and any other federal, provincial or municipal laws which could give rise to a claim against the Bank in priority to the Security, are current, including, without limitation, the Real Property, source deductions and harmonized sales tax and there are no amounts owing to Canada Revenue Agency, the Province of Ontario, or any other federal or provincial government agency or body that may give rise to the issuance of a third party requirement to pay or any similar such demand notice;
- (e) there is no matter, fact or event which is known to the Borrower or the Guarantors that have not been disclosed to the Bank which constitutes an Event of Default or is likely to have a material adverse effect on the performance of their respective obligations under this Agreement, or have a material adverse effect on the Assets or the operations of the Borrower and the Borrower has conducted such investigations as it considers reasonably necessary to make this representation and warranty;
- (f) no proceeding or action has been taken or commenced by any person against the Borrower in respect of any amounts owing by the Borrower to any person; and
- (g) the Lease, and any other lease to which the Borrower is a party, remains in full force and effect.

7.02 Non-Merger: The representations and warranties set forth herein shall survive the execution and delivery of this Agreement and shall continue in full force and effect until the repayment of the Indebtedness.

ARTICLE 8 **SECURITY**

- 8.01 Security:** The Security shall continue to be held by the Bank hereunder.
- 8.02 Cross Collateralization:** All Security held by the Bank shall be held as security for all Indebtedness. For greater certainty, the Borrower and Guarantors hereby acknowledge and agree that upon the occurrence of an Event of Default, the Bank shall be entitled to enforce its rights under the Security, or any part thereof, against the Assets, or any portion thereof, to the extent of the Indebtedness.
- 8.03 Access to the Assets:** The Borrower shall provide, and the Guarantors shall ensure that the Borrower provides, access to the Bank or its agents during normal business hours, to enter the Business Premises or any property where the Assets are located to inspect the Assets or to have appraisals made of the Assets, and to examine and make copies of all books and records relating thereto, including any books and records required by the Bank, its representatives or agents to confirm, among other things, that

the Priority Payables are current. All costs in connection with such appraisals, testing and enquires shall form and are hereby deemed to form part of the Indebtedness.

ARTICLE 9
DEFAULT

9.01 Events of Default: Each of the following events shall constitute an Event of Default under this Agreement:

- (a) any default or failure in the observance or performance of any payment, covenant, obligation or agreement contained herein and/or under the Security and/or under the Credit Agreement and/or under the HASCAP Credit Agreement by the Borrower and/or the Guarantors;
- (b) the occurrence of any Event of Default under the Security and/or under the Credit Agreement and/or the HASCAP Credit Agreement;
- (c) any representation, warranty or statement contained herein and/or in the Security and/or in the Credit Agreement and/or in the HASCAP Credit Agreement which is or proves to be untrue or incorrect;
- (d) failure to keep Priority Payables current;
- (e) the receipt by the Bank of a demand or requirement for payment from Canada Revenue Agency, the Province of Ontario, or any other federal, provincial or municipal governmental agency or body, as a result of arrears or monies owing by the Borrower including, without limitation, on account of employee source deductions, harmonized sales tax, corporate tax, employee health tax, employee vacation pay, provincial pension contributions or municipal property taxes;
- (f) the Bank determining, in its sole and absolute discretion, that a material adverse change has occurred in the financial condition, ownership structure or composition or operation of the Borrower;
- (g) the Borrower taking any action or commencing any proceeding or any action or proceeding being taken or commenced by another person or persons against the Borrower in respect of the liquidation, dissolution or winding-up of the Borrower, including, without limitation, any action or proceeding under the *Winding Up and Restructuring Act*, the *Business Corporations Act* (Ontario), or other similar legislation whether now or hereinafter in effect;
- (h) the Borrower taking any action or commencing any proceeding or any action or proceeding being taken or commenced by another person or persons against the Borrower relating to the reorganization, readjustment, compromise or settlement of the debts owed by the Borrower to its respective creditors where such reorganization, readjustment, compromise or settlement shall affect a

substantial portion of the Assets and/or Real Property, including, without limitation, the filing of a notice of intention to make a proposal or the filing of a proposal pursuant to the provisions of the BIA, the making of an order under the *Companies Creditors Arrangements Act (Canada)* or the commencement of any similar action or proceeding by the Borrower;

- (i) the Borrower committing or threatening to commit any act of bankruptcy pursuant to or set out under the provisions of the BIA;
- (j) the filing of a bankruptcy application for a bankruptcy order against the Borrower pursuant to the provisions of the BIA;
- (k) any execution, sequestration or other process of any court or other tribunal becoming enforceable against the Borrower or a distress or analogous action or proceeding being taken, commenced or issued against the Borrower or levied upon or in respect of the Assets or any part thereof, or any lien, trust claim or any other right or entitlement against or in respect of the Assets or any part thereof becoming effective, including, without limitation, a warrant of distress of any rent in respect of any premises occupied by the Borrower, including, without limitation, the Business Premises or any premises in or upon which the Assets or any part thereof may at any time be situate; and
- (l) an interim receiver, receiver, receiver and manager, agent, liquidator or other similar administrator being appointed in respect of the Assets, or any part thereof, or the taking by a secured party, lien claimant, other encumbrancer, judgment creditor or a person asserting similar rights of possession to the Assets or any part thereof.

9.02 Waiver: The Bank may waive in writing any Event of Default, in its sole and absolute discretion, but no such waiver shall constitute a waiver of any other Event of Default.

ARTICLE 10 **REMEDIES ON DEFAULT**

10.01 Enforcement: Upon the occurrence of an Event of Default:

- (a) the Bank may immediately terminate its agreement to forbear as set forth in section 5.02 hereof and shall be entitled to enforce all of its rights and remedies against the Borrower and/or the Guarantors;
- (b) the Borrower shall assist, and the Guarantors covenant that they will ensure that the Borrower assists, the Bank in the exercise of its rights and remedies, including, without limitation, assisting the Bank in securing possession of the Assets, or any part thereof, and providing such assistance as is requested in the sale of same;

- (c) the Borrower and Guarantors hereby consent to the Bank immediately enforcing its rights under this Agreement, the Credit Agreement, the HASCAP Credit Agreement, and the Security, including, without limitation, the appointment of an interim receiver, receiver or receiver and manager, by way of private appointment or on an application to the Superior Court of Justice (Ontario) (Commercial List), against the Assets;
- (d) the Borrower and Guarantors shall, immediately upon receipt from the Bank or its counsel of a Notice of Disposition pursuant to the provisions of subsection 63(4) of the *Personal Property Security Act* (Ontario), consent to the immediate disposition of the Assets by the Bank and should the Borrower and/or the Guarantors, fail to execute such consent when requested to do so by the Bank, the agreement of the Borrower and/or the Guarantors to do so herein shall be deemed to constitute the irrevocable consent of the Borrower and the Guarantors to the immediate disposition of the Assets by the Bank;
- (e) the Borrower shall immediately upon the filing by the Bank of a bankruptcy application for a bankruptcy order against the Borrower forthwith consent to an immediate bankruptcy order being made against it and should the Borrower fail to execute such consent when requested to do so by the Bank, the consent of the Borrower to do so herein shall be deemed to constitute the irrevocable consent to such bankruptcy order;
- (f) the Bank shall immediately issue an action or application in the Superior Court of Justice (Ontario) (Commercial List) in order to file and enforce the Consent to Judgment referenced in subsection 6.01(u); and
- (g) the Bank shall immediately issue an action or application in the Superior Court of Justice (Ontario) (Commercial List) in order to file and enforce the Consent to Appointment referenced in subsection 6.01(v).

ARTICLE 11 GENERAL

- 11.01 Entire Agreement:** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements or discussions between the Parties whether written or oral.
- 11.02 Headings:** The headings in this Agreement are provided for convenience of reference only and should not be considered to form part hereof for the purpose of interpreting or construing or applying this Agreement and such headings shall not define, limit, extend or describe the scope of this Agreement or any of its terms and conditions.
- 11.03 Schedules:** Schedule "A", "B", "C", "D" and "E" attached hereto form an integral part of this Agreement.

11.04 Severability: If any provision of this Agreement is found by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and shall remain valid and enforceable.

11.05 Notices: Any notice required or permitted to be given hereunder or any tender or delivery of documents may be given in writing by personal delivery, facsimile or other electronic transmission to the Borrower and the Bank at the following addresses:

To the Borrower/Guarantors at:

433 Horner Avenue, Unit 1
Etobicoke ON M8W 4Y4
Attn: Robert Vellend and Martin Vellend
Email: robert@vellendtech.com and martin@vellendtech.com

Andriessen and Associates Business Lawyers

703 Evans Avenue, Suite 101
Toronto, ON M9C 5E9

Attn: Inga B. Andriessen
Tel: 416-620-7020 Ext. 22
Email: iandriessen@andriessen.ca

Attn: Robin Mann
Tel: 416-620-7020 Ext. 23
Email: rmann@andriessen.ca

To the Bank at:

20 King Street West, 2nd Floor
Toronto, ON M5H 1C4
Attn: Michael Foster
Tel: 416-346-1389
Email: michael.foster@rbc.com

with a courtesy copy to:

Minden Gross LLP

145 King Street West, Suite 2200
Toronto, ON M5H 4G2
Attn: Rachel Moses
Fax: 416-864.9223
Email: rmoses@mindengross.com

The date of receipt of such notice shall be the date of the actual delivery to the address specified if delivered or the date of actual transmission to the telecopier number (if

telecopied) or the date of actual electronic transmission, unless such date is not a Business Day, in which event the date of receipt shall be the next Business Day immediately following the date of such delivery or transmission.

- 11.06 No Prejudice:** The provisions hereof shall operate and apply without prejudice to any rights which the Bank may now or in the future have in respect of the Indebtedness, or other liabilities or obligations, whether direct or indirect, matured or not, contingent or otherwise, of the Borrower to the Bank.
- 11.07 Successors and Assigns:** This Agreement may be assigned by the Bank in its sole and absolute discretion, but shall not be assigned by the Borrower or any Guarantor unless authorized by the Bank in writing and this Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors, permitted assigns, heirs and legal personal representatives (as applicable).
- 11.08 Timely Performance:** It is intended by all Parties to this Agreement that all obligations hereunder will be performed strictly in accordance with the provisions of this Agreement and in a timely manner, with time being of the essence hereof. Accordingly, should default occur in the timely performance of any of the obligations by the Borrower for any reason, whether within or beyond its control, the Bank shall upon the occurrence of such default be entitled to rely strictly on its rights and remedies as set forth in this Agreement and under the Credit Agreement and the Security.
- 11.09 Relationship of Parties:** Nothing in this Agreement shall be construed to change the relationship existing between the Borrower and the Bank to one other than the debtor/creditor relationship as it now exists. This Agreement is not entered into, nor shall it create, a partnership, joint venture or agency relationship between the Bank and any of the Parties hereto.
- 11.10 Counterparts and Electronic Execution:** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which taken together shall be deemed to constitute one and the same agreement. A facsimile or other electronic transmission received by each Party of the other Parties signatures shall serve to confirm the execution thereof by each such party.
- 11.11 Governing Law:** This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada as are applicable therein.
- 11.12 No Amendment:** This Agreement shall not be amended unless such amendments are in writing and signed by all Parties.
- 11.13 Further Assurances:** The Borrower and the Guarantor hereby agree to sign or execute all such other documents and do such other things as may be necessary or desirable for more completely and effectively carrying out the terms and intentions of this Agreement.

11.14 Acceptance: The Borrower and Guarantors hereby acknowledge and agree to and with the Bank that on or before 5:00 p.m. on May 20, 2022, they shall deliver to the Bank: (i) a copy of this Agreement executed by the Borrower and the Guarantors; (ii) originals of the Consent to Judgment and the Consent to Appointment; (iii) copies of the New Security as contemplated in section 5.04 hereof; and (iv) copies of the financial information in connection with payment of Priority Payables as contemplated in section 6.01(l) hereof. In the event these condition precedent to the Bank agreeing to forbear have not been satisfied, the Bank may elect to rely upon its rights and remedies under the Credit Agreement, the Security, the Guarantee or otherwise.

[REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement with effect as and from the date first written above

ROYAL BANK OF CANADA

Per: 
Name: Michael Foster
Title: Senior Manager, Special Loans and Advisory Services

I Have Authority to Bind the Bank


VELLEND-TECH INC.

Per: 
Name: Robert Vellend
Title: President

I/We Have Authority to Bind the Corporation



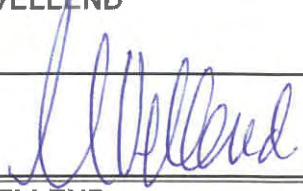
WITNESS Christine Allan



ROBERT VELLEND



WITNESS Christine Allan



MARTIN VELLEND

SCHEDULE "A"
SECURITY

1. General Security Agreement (Form 924) dated June 7, 2005, executed and delivered to and in favour of the Bank by Vellend-Tech Inc.

SCHEDULE "B"
GUARANTEE AND POSTPONEMENT OF CLAIM

1. Guarantee and Postponement of Claim (Form 812) in the amount of \$925,000.00 executed by Robert Vellend and Martin Vellend and dated April 20, 2018.

SCHEDULE "C"
NEW SECURITY

1. Charge/Mortgage of Land in the amount of \$400,000.00 registered against the real property municipally known as 57A Woodbury Road, Toronto, Ontario.

SCHEDULE "D"
Court File No.
ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

and


VELLEND-TECH INC., ROBERT VELLEND and MARTIN VELLEND

Defendants

CONSENT

The undersigned consent to Judgment, in substantially the same form as that attached hereto as Schedule "A", being entered against them. The undersigned also certify that the Judgment being sought herein does not affect the rights of any person under disability.

DATED this 11th day of May, 2022.



Witness *Christine Allan*


ROBERT VELLEND


Witness *Christine Allan*


MARTIN VELLEND

VELLEND-TECH INC.



Per: _____

Name: ROB VELLEND

Title: PRESIDENT

I/We Have Authority to Bind the Corporation

pay to the plaintiff, RBC, the sum of \$ _____ in respect of a revolving demand facility owing by Vellend-Tech to RBC.

2. **IT IS ORDERED AND ADJUDGED** that the defendant, Vellend-Tech, shall pay to the plaintiff, RBC, the sum of \$ _____ in respect of a Visa facility owing by Vellend-Tech to RBC.

3. **IT IS ORDERED AND ADJUDGED** that the defendants, Robert and Martin, shall pay to the plaintiff, RBC, the sum of \$ _____ in respect of their joint and several guarantee limited to the principal amount of \$925,000.00 and dated April 20, 2018, in respect of the debts, liabilities and obligations of Vellend-Tech Inc.

4. **IT IS ORDERED AND ADJUDGED** that the defendants, Robert and Martin, shall pay to the plaintiff, RBC, the sum of \$ _____ in respect of costs incurred by the plaintiff, RBC, in respect of this motion.

THIS JUDGMENT BEARS INTEREST as follows:

(a) On the judgment debt of \$ _____ as set out in above paragraph 1 payable by the defendant, Vellend-Tech, to RBC at RBC's prime rate of interest per annum in effect from time to time plus 0.85% per annum from the date of judgment.

(b) On the judgment debt of \$ _____ as set out in above paragraph 2 payable by the defendant, Vellend-Tech, to RBC at the rate of 19.99% per

annum from the date of judgment.

(c) On the judgment debt of \$ _____ as set out in above paragraph 3 payable by the defendants, Robert and Martin, to RBC at RBC's prime rate of interest per annum in effect from time to time plus 5.00% from the date of judgment.

(d) On the costs of \$ _____ as set out in above paragraph 4 payable by the defendants, Vellend-Tech, Robert and Martin, to RBC at the rate of 5.00% per annum from the date of judgment.

SCHEDULE "E"
CONSENT TO RECEIVER

TO: Royal Bank of Canada (the "Lender")

AND TO: Its solicitors, Minden Gross LLP

Vellend-Tech Inc. (the "Debtor") hereby consents to: (i) the immediate appointment by the Lender of a private receiver or receiver and manager in respect of the Debtor's assets, property and undertaking, including the real property municipally known as 433 Horner Avenue, Unit 1, Etobicoke, Ontario and any and all of the Debtor's books and records (collectively, the "Assets"); and/or (ii) the immediate appointment by Court Order in substantially the form attached hereto as Schedule "A" of a receiver or receiver and manager of the Assets pursuant to subsections 47(1) and 243(1) of the *Bankruptcy and Insolvency Act* and section 101 of the *Courts of Justice Act*

DATED this 11th day of May, 2022.

VELLEND-TECH INC.

By: 

Name: ROB VELLEND

Title: PRESIDENT

I have authority to bind the corporation

Schedule "A"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

| | | |
|----------------|---|--------------------|
| THE HONOURABLE |) | WEEKDAY, THE # |
| |) | |
| JUSTICE |) | DAY OF MONTH, 20YR |

ROYAL BANK OF CANADA¹

Plaintiff

- and -

VELLEND-TECH INC.

Defendant

**ORDER
(appointing Receiver)**

THIS MOTION made by the Plaintiff² for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing [RECEIVER'S NAME] as receiver [and manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2570024 Ontario Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

¹ The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

ON READING the affidavit of [NAME] sworn [DATE] and the Exhibits thereto and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of [RECEIVER'S NAME] to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated³ 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, [RECEIVER'S NAME] 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;

³ If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

- (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.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

⁴ This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,]⁵ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (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;

⁵ If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.

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

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, 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's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any

employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the

Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges 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.⁶

⁶ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

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 \$_____ (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/sc/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>':

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's 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.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] 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 ___ day of _____, 20__ (the "Order") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the _____ day of _____, 20__.


[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

This is Exhibit "I" referred to
in the Affidavit of Michael Foster
Sworn this 24th
day of April, 2023.


Rachel Moses (Apr 24, 2023 12:46 EDT)

A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V



MINDEN GROSS LLP
BARRISTERS & SOLICITORS
145 KING STREET WEST, SUITE 2200
TORONTO, ON, CANADA M5H 4G2
TEL 416.362.3711 FAX 416.864.9223
www.mindengross.com

DIRECT DIAL (416) 369-4115
E-MAIL rmoses@mindengross.com
FILE 4128221
NUMBER

July 13, 2022

VIA EMAIL (robert@vellendtech.com; martin@vellendtech.com)

Vellend-Tech Inc.
433 Horner Avenue, Unit 1
Etobicoke, ON M8W 4Y4

Dear Sirs:

**Re: Royal Bank of Canada (“RBC”) and Vellend-Tech Inc. (“Vellend-Tech”)
– Notice of Default Under the Forbearance Agreement and Credit Facilities Letter
Agreement (“Credit Agreement”) dated March 10, 2022**

Reference is made to a Forbearance Agreement made as of May 9, 2022 among RBC, Vellend-Tech, Robert Vellend and Martin Vellend (the “**Forbearance Agreement**”).

We refer you to section 5.03(a) of the Forbearance Agreement. Please be advised that contrary to section 5.03(a) of the Forbearance Agreement, Vellend-Tech did not reduce the Operating Line to \$800,000 on June 30, 2022 (the “**Event of Default**”). We understand that on July 4, 2022 and July 7, 2022 Michael Foster, Senior Manager, Special Loans and Advisory Services, advised Vellend-Tech that RBC required the Operating Line to be reduced to \$1,000,000 immediately and that RBC was not waiving the Event of Default. We note that as at July 7, 2022 the Operating Facility is at \$1,001,246.57.

We also note that as at July 7, 2022 Vellend-Tech’s current account (CDN) 00002 1363266 is in an overdraft position in the amount of -\$143,550.28 (“**Excess Position**”).

RBC does not waive the Event of Default and is not tolerating the Excess Position, and expects that Vellend-Tech, Robert Vellend and Martin Vellend have taken or will immediately take steps to remedy the Event of Default and the Excess Position.

In the interim, RBC reserves all of its rights and remedies under the Forbearance Agreement



and the Credit Agreement.

Yours truly,
MINDEN GROSS LLP


Per:

R. Moses
Rachel Moses
RM/cc

cc Royal Bank of Canada
Attn: Michael Foster – Manager, Special Loans and Advisory Services

#53179354128221 v1

This is Exhibit "J" referred to
in the Affidavit of Michael Foster
Sworn this 24th
day of April, 2023.


Rachel Moses (Apr 24, 2023 12:46 EDT)

A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V

THIS FORBEARANCE AMENDING AGREEMENT made as of the 18th day of July, 2022

A M O N G:

ROYAL BANK OF CANADA
(the “**Bank**”)

- and -

VELLEND-TECH INC.
(the “**Borrower**”)

- and –

ROBERT VELLEND
(“**Robert**”)

- and –

MARTIN VELLEND
(“**Martin**”)

WHEREAS:

1. The parties entered into a forbearance agreement made as of May 9, 2022 (“**Forbearance Agreement**”), a copy of which is attached as Schedule “A”.
2. The Borrower is in default of its obligations set out under subsection 5.03(a) of the Forbearance Agreement.
3. On July 13, 2022, the Bank provided written notice of default to the Borrower and the excess position in the Borrower’s current account which were not being tolerated by the Bank.
4. The Borrower, Robert Vellend and Martin Vellend have requested that the Bank not rely upon such event of default, or enforce with respect to the excess position, and have advised the Bank that they require additional time to reduce the Operating Line (as defined in the Forbearance Agreement), and have requested that the Bank extend the deadline to reduce the Operating Line as set out in subsection 5.03(a) of the Forbearance Agreement.
5. As an inducement to the Bank so agreeing, the Borrower and Guarantors have agreed to enter into this Amending Agreement and to comply with the terms and conditions set out herein.

NOW THEREFORE in consideration of the acknowledgements, confirmations, covenants and agreements contained herein, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto), each of the Parties hereto hereby agree with each other as follows:

1. All capitalized words and phrases not specifically defined herein shall have the meanings as set out in the Forbearance Agreement.
2. Subsection 1.01(o) of the Forbearance Agreement is amended by adding “(**Woodbury Property**)” to the end of subsection 1.01(o).
3. Subsection 1.01(q) of the Forbearance Agreement is amended by replacing the definition of “Operating Facility with the following: “**Operating Facility**” means Facility #1 established under the Credit Agreement;”
4. Subsection 5.03(a) of the Forbearance Agreement is amended by deleting “The Operating Line is to reduce to \$800,000 on June 30, 2022” and substituting in its place “The Operating Line is to reduce to \$1,100,000.00 on July 29, 2022”.
5. Subsection 5.04 of the Forbearance Agreement is amended by deleting “Business Premises” and substituting in its place “Woodbury Property”.
6. The following shall be added to subsection 5.04 as a new paragraph:

“The agreement of the Bank to increase the credit to be drawn under the Operating Line and forbear from the exercise of its rights and remedies as contemplated herein is conditional upon the delivery of a third ranking collateral mortgage against the Woodbury Property in the amount of \$100,000.00, and related documentation, as security for the Guarantee and the Indebtedness owing to the Bank. The executed New Security shall be returned to the Bank by Robert no later than five Business Days’ after the delivery of the New Security by the Bank to Robert and the failure to deliver the New Security in accordance with the timeline provided herein shall constitute an Event of Default under this Agreement.”

7. Schedule “C” of the Forbearance Agreement is amended by adding the following:

“2. Charge/Mortgage of Land in the amount of \$100,000.00 registered against the real property municipally known as 57A Woodbury Road, Toronto, Ontario.”
8. This Forbearance Amending Agreement is open to be accepted by the Borrower, Robert Vellend and Martin Vellend at any time on or before 4:00 p.m. on July 22, 2022, and if not accepted by such time, the Bank shall be entitled to rely upon the defaults referenced in Recital 2 above.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement with effect as and from the date first written above.

ROYAL BANK OF CANADA

Per: 
Name: Michael Foster
Title: Senior Manager, Special Loans and
Advisory Services

I Have Authority to Bind the Bank

VELLEND-TECH INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We Have Authority to Bind the Corporation

WITNESS

ROBERT VELLEND

WITNESS

MARTIN VELLEND

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement with effect as and from the date first written above.

ROYAL BANK OF CANADA

Per: _____

Name: Michael Foster

Title: Senior Manager, Special Loans and
Advisory Services

I Have Authority to Bind the Bank

VELLEND-TECH INC.

Per: _____

Name: ROB VELLEND

Title: PRESIDENT

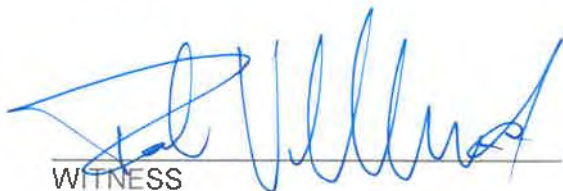
Per: _____

Name: MARTIN VELLEND

Title: VICE PRESIDENT

I/We Have Authority to Bind the Corporation

WITNESS



WITNESS



ROBERT VELLEND



MARTIN VELLEND

SCHEDULE "A"
FORBEARANCE AGREEMENT

See attached 47 pages

#5326708 | 4128221

FORBEARANCE AGREEMENT

THIS AGREEMENT made as of the 9th day of May, 2022

AMONG:

ROYAL BANK OF CANADA
(the "Bank")

- and -

VELLEND-TECH INC.
(the "Borrower")

- and -

ROBERT VELLEND
(**"Robert"**)

- and -

MARTIN VELLEND
(**"Martin"**)

WHEREAS:

1. The Bank has made available certain Credit Facilities to the Borrower on the terms and conditions established under the Credit Agreement.
2. The Guarantors have executed and delivered the Guarantee to the Bank.
3. On April 26, 2022, the Bank made demand on the Borrower for repayment of the Indebtedness and issued to the Borrower an NOI Notice.
4. On April 26, 2022, the Bank made demand upon the Guarantors in respect of the Indebtedness.
5. The Borrower and Guarantors have requested that the Bank forbear from enforcing its rights and remedies under the Security so as to provide them with the opportunity to provide the Borrower with the opportunity to obtain alternative financing to repay the Indebtedness.
6. As an inducement to the Bank agreeing to so forbear, the Borrower and Guarantors have agreed to enter into this Agreement and to comply with the terms and provisions contained herein

NOW THEREFORE in consideration of the acknowledgements, confirmations, covenants and agreements contained herein, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto), each of the Parties hereto hereby agree with each other as follows:

ARTICLE 1
INTERPRETATION

1.01 Definitions: Unless otherwise specifically defined in this Agreement, all capitalized terms used in this Agreement shall have the meanings ascribed to them in the Credit Agreement. The following terms shall have the following meanings:

- (a) **“Account”** means the bank accounts of the Borrower maintained at the Bank as account number 00002-1363266 (CDN Dollar Account) and 00002-4062212 (USD Dollar Account) (collectively the **“Account”**);
- (b) **“Assets”** means all of the personal property, tangible or intangible and undertakings of the Borrower in respect of which the Bank holds Security;
- (c) **“BIA”** means the *Bankruptcy and Insolvency Act* (Canada);
- (d) **“Business Day”** means a day other than a Saturday, Sunday, statutory holiday in the Province of Ontario, or any other day on which the Schedule 1 Canadian Chartered Banks located in the City of Toronto are not open for business during normal banking hours;
- (e) **“Business Premises”** means Unit 1, 433 Horner Avenue, Etobicoke, Ontario;
- (f) **“Credit Agreement”** means the credit facilities letter agreement dated March 10, 2022, executed and delivered by the Borrower to the Bank, as amended, revised, restated, replaced and supplemented from time to time, establishing the credit facilities set forth in section 2.01(a) and (b) hereof;
- (g) **“Credit Facilities”** means the credit facilities established by the Bank in favour of the Borrower pursuant to the Credit Agreement;
- (h) **“Event of Default”** means the occurrence of any one or more of the events set forth in Article 9 of this Agreement;
- (i) **“Existing Security”** means individually and collectively: (i) the security as more particularly set forth in Schedule “A” attached hereto, and (ii) the guarantee and postponement of claim as more particularly set forth in Schedule “B” attached hereto;
- (j) **“Guarantee”** means the Guarantee and Postponement of Claim executed and delivered to and in favour of the Bank by the Guarantors listed in Schedule “B” attached hereto;

- (k) **"Guarantors"** mean collectively, Robert and Martin and **"Guarantor"** means any one of them;
- (l) **"HASCAP Credit Agreement"** means the credit facilities letter agreement dated October 28, 2021, executed and delivered by the Borrower to the Bank, as amended, revised, restated, replaced and supplemented from time to time, establishing the HASCAP Facility set forth in section 2.01(c) hereof;
- (m) **"Indebtedness"** means the amounts set forth in sections 2.01(a) and (b) and 2.02 hereof;
- (n) **"Lease"** means the lease of the Business Premises;
- (o) **"New Security"** means the collateral mortgage as more particularly set forth in **Schedule "C"** attached hereto;
- (p) **"NOI Notice"** means a Notice of Intention to Enforce Security issued by the Bank pursuant to section 244(1) of the BIA;
- (q) **"Operating Line"** means Facility #1 established under the Credit Agreement in the amount of \$1,000,000.00, reducing to \$800,000.00 on June 30, 2022 and referenced in subsection 2.01(a) herein;
- (r) **"Parties"** means any one or more of the parties referred to in this Agreement, as the context may require;
- (s) **"Prime Rate"** means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on Canadian Dollar commercial loans in Canada;
- (t) **"Priority Payable Authorizations"** shall have the meaning ascribed thereto in subsection 6.01(k);
- (u) **"Priority Payables"** shall have the meaning ascribed thereto in subsection 6.01(k);
- (v) **"Real Property"** means 57A Woodbury Road, Toronto, Ontario;
- (w) **"Security"** means collectively all of the security delivered by the Borrower, or any other person, to the Bank as security for the Indebtedness and obligations of the Borrower to the Bank pursuant to the Credit Agreement, the HASCAP Credit Agreement, this Agreement, or otherwise, or that may be delivered by the Borrower, or any other person, to the Bank to secure the Indebtedness and obligations of the Borrower to the Bank, including, without limitation, the Existing Security listed the New Security; and

- (x) **"Visa Facility"** means the Visa Facility established under the Credit Agreement up to the maximum amount of \$50,000.00 and referenced in subsection 2.01(b) herein.

ARTICLE 2 **CREDIT FACILITIES**

2.01 Acknowledgement of Indebtedness: The Borrower and Guarantors acknowledge that, as at May 9, 2022, the Borrower is indebted to the Bank:

- (a) in respect of a revolving demand facility (the **"Operating Line"**), in the amount of \$991,436.36. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate plus 0.85% per annum;
- (b) in respect of a Visa facility (the **"Visa Facility"**) being Visa account numbers 4516 0700 0348 1878, and 4516 0700 0348 1963, in the amounts of \$24,251.53 and \$12,748.60 respectively as at May 9, 2022. Interest continues to accrue on the aforesaid amount at the rate in effect from time to time in accordance with your Visa arrangements with the Bank; and
- (c) in respect of a non-revolving term facility by way of a fixed rate term loan (the **"HASCAP Facility"**), in the amount of \$250,109.59.

2.02 Interest, Etc.: The Borrower and Guarantors acknowledge that interest on the amounts set forth in section 2.01(a) and (b) above, as well as all costs, fees, expenses and other monies incurred by the Bank in connection with the Security, the Indebtedness, including, without limitation, further advances, if any, made by the Bank under the Credit Agreement or hereunder, the collection of the Indebtedness, any appraisals and investigation of the Assets and the Security, enforcement of the Security, the negotiation, preparation and enforcement of this Agreement and any amendments hereto and the New Security, and any disbursements, and the full amount of all legal and other professional fees incurred by the Bank in connection with all of the same shall be added to and are deemed to form part of the Indebtedness.

ARTICLE 3 **ACKNOWLEDGEMENTS**

3.01 Acknowledgements by the Borrower: The Borrower hereby confirms and acknowledges to the Bank that:

- (a) each of the foregoing recitals are true and accurate both in substance and in fact;
- (b) the Indebtedness is due and owing to the Bank and the Borrower has no right or claim of set-off, counterclaim, damages or any similar right or claim against the Bank in connection with the Indebtedness;

- (c) the Bank had the right to demand repayment of the Indebtedness, and issue the NOI Notice referred to in the above recitals, and the right, as at the date hereof, to enforce the Security as the 10 day period set out in the NOI Notice has expired;
- (d) the Security is, and when the New Security is delivered, and any other security delivered by the Borrower, or any other person, to the Bank to secure the Indebtedness after the date hereof, will be in full force and effect, constitute legal, valid and binding obligations of the Borrower, or the person granting such security, enforceable against the Borrower, and the person granting such security, and the Borrower hereby waives and agrees not to assert or cause to be asserted on its behalf, and is hereby estopped from asserting or causing to be asserted on its behalf, any defences or rights with respect to the legal effect of the Security or the legality, validity or binding effect of the obligations of the Borrower thereunder and the enforceability of same;
- (e) except as provided for in this Agreement, the Bank (either by itself or through its employees or agents) has made no promises, nor has it taken any action or omitted to take any action which would constitute a waiver of its right to take any enforcement action in connection with the enforcement of the Security, or which would estop it from so doing and that no statement, representation, promise, act or omission by the Bank or its employees or agents shall create such a waiver or estoppel unless the Bank executes and delivers to the Borrower a written waiver of any such rights; and
- (f) the Borrower has been provided with a reasonable opportunity to seek legal advice with respect to the execution and delivery of this Agreement and has either done so or has decided to execute and deliver the same to the Bank without obtaining such legal advice.

3.02 Acknowledgements by the Guarantors: The Guarantors hereby acknowledge and confirm that:

- (a) each of the foregoing recitals are true and accurate both in substance and in fact;
- (b) the Indebtedness is due and owing to the Bank and the Borrower has no right or claim of set-off, counterclaim, damages or any similar right or claim against the Bank in connection with the Indebtedness;
- (c) the Bank had the right to demand repayment of the Indebtedness, and issue the NOI Notice referred to in the above recitals, and the right, as at the date hereof, to enforce the Security as the 10 day period set out in the NOI Notice has expired;
- (d) the Security is, and when the New Security is delivered, and any other security delivered by the Borrower, or any other person, to the Bank to secure the

Indebtedness after the date hereof, will be in full force and effect, constitute legal, valid and binding obligations of the Borrower, or the person granting such security, enforceable against the Borrower, and the person granting such security, and the Guarantors hereby waive and agree not to assert or cause to be asserted on their behalf and are hereby estopped from asserting or causing to be asserted on their behalf, any defences or rights in relation to any matter, cause or thing whatsoever existing to the date hereof with respect to the legal effect of the Security or the legality, validity or binding effect of the obligations of the Borrower thereunder and the enforceability of same;

- (e) there is no dispute respecting the liability of the Guarantors in connection with the Indebtedness and the obligations of the Guarantors to repay the Indebtedness according to the provisions of the Guarantee delivered by the Guarantors;
- (f) the Guarantee delivered by the Guarantors is in full force and effect, constitutes legal, valid and binding obligations of the Guarantors, is enforceable against the Guarantors and the Guarantors hereby waive and agree not to assert or cause to be asserted on their behalf and is hereby estopped from asserting or causing to be asserted on their behalf, any defences or rights with respect to the legal effect of the Guarantee or the legality, validity or binding effect of the obligations of the Guarantors thereunder and the enforceability of same;
- (g) the Guarantors consent to the Borrower entering into this Agreement;
- (h) notwithstanding the terms of the Guarantee, the Security, including the New Security, the Credit Agreement, this Agreement, or of any other agreement, whether written or oral, between the Bank and the Guarantors, the Bank shall be entitled to rely upon the Guarantee in respect of any amounts comprising the Indebtedness;
- (i) except as provided in this Agreement, the Bank (either by itself or through its employees or agents) has made no promises, nor has it taken any action or omitted to take any action which would constitute a waiver of its right to take any enforcement action in connection with the enforcement of the Security, or which would estop it from so doing and that no statement, representation, promise, act or omission by the Bank or its employees or agents shall create such a waiver or estoppel unless the Bank executes and delivers to the Borrower or Guarantors a written waiver of any such rights following the date hereof; and
- (j) the Guarantors have been provided with a reasonable opportunity to seek legal advice with respect to the execution and delivery of this Agreement and have either done so or have decided to execute and deliver the same to the Bank without obtaining such legal advice.

3.03 Tolling Provisions:

- (a) As of the date hereof and continuing until the termination of the Forbearance Period (defined herein) and thereafter until the termination of the tolling arrangements hereof in the manner provided for at paragraph 3.03(b) and whether or not demand for payment or an NOI Notice(s) have previously been delivered by the Bank in respect of the Indebtedness, the Bank, the Borrower and the Guarantors hereby agree to toll and suspend the running of the applicable statutes of limitations, laches or other doctrines related to the passage of time in relation to the Indebtedness, the Security, and any entitlements arising from the Indebtedness or the Security and any other related matters, and each of the parties confirm that this Agreement is intended to be an agreement to suspend or extend the basic limitation period, provided by section 4 of the *Limitations Act*, 2002 (Ontario) as well as the ultimate limitation period provided by section 15 of the *Limitations Act*, 2002 (Ontario) in accordance with the provisions of section 22(2) of the *Limitations Act*, 2002 (Ontario) and as a business agreement in accordance with the provisions of section 22(5) of the *Limitations Act*, 2002 (Ontario) and any contractual time limitation on the commencement of proceedings, any claims or defences based upon such applicable statute of limitations, contractual limitations, or any time related doctrine including waiver, estoppel or laches; and
- (b) the tolling provisions of this Agreement will terminate upon any party providing the others with 45 days written notice of an intention to terminate the tolling provisions hereof, and upon the expiry of such 45 day notice, and any time provided for under the statutes of limitations, laches, or any other doctrine related to the passage of time in relation to the Indebtedness, the Security or any entitlements arising from the Indebtedness or the Security and any other related matters, will recommence running as of the effective date of such notice, and for greater certainty the time during which the limitation period is suspended pursuant to the tolling provisions of this Agreement shall not be included in the computation of any limitation period.

ARTICLE 4 WAIVER AND RELEASE

4.01 Waiver and Release: The Borrower and Guarantors acknowledge and agree that, to the date hereof, the Bank's administration of the Credit Facilities, and its conduct and actions in dealing with the Borrower and Guarantors, have been fair and reasonable and hereby waive and agree not to assert or cause to be asserted on behalf of any of them, and are hereby estopped from asserting or causing to be asserted on behalf of any of them, any defences, rights or claims on any grounds whatsoever with respect to such administration, conduct, action and dealings, and hereby absolutely, unconditionally and irrevocably release and remise the Bank (and its present and former affiliates, subsidiaries, divisions, predecessors, directors, officers, employees, agents and other representatives and their successors and assigns) of and from any and all demands, actions, causes of action, suits, covenants, contracts, controversies,

agreements, promises, sums of money, accounts, bills, reckonings, damages and any other claims, counterclaims, defences, rights of set-off, demands and liabilities of any nature and kind whatsoever, known or unknown, both at law and in equity that the Borrower or Guarantors or any of their successors, assigns, or other legal representatives may now or hereafter have against the Bank. The Borrower and Guarantors hereby waive any and all rights they may have to assess any of the legal fees previously paid or payable by the Bank to its solicitors in connection with or in any way related to the parties hereto whether such rights of assessment arises pursuant to the *Solicitors Act* (Ontario) or under any other law or statute. Further, in executing and delivering this Agreement, the Borrower and Guarantors acknowledge and agree that they are acting freely and without duress and that this release may be pleaded as a full and complete defence and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of that release and that no fact, event, circumstance, evidence or transaction which could now be asserted or which may later be discovered will affect in any manner the final, absolute and unconditional nature of this release.

ARTICLE 5 **FORBEARANCE**

- 5.01 Implementation of Plan:** The Borrower and Guarantors hereby covenant and agree to and with the Bank that: (i) they shall, and each shall ensure that the other, honours and fulfils the terms and provisions set forth in this Article 5; and (ii) the Indebtedness shall be repaid by no later than 12:00 p.m. on September 30, 2022.
- 5.02 Forbearance Period:** Subject to the terms and conditions of this Agreement, the Bank agrees that it will forbear from the exercise of its rights and remedies against the Borrower and Guarantors in respect of the Indebtedness for the period of time ("**Forbearance Period**") commencing with the execution and delivery of this Agreement until the earlier of:
- (a) September 30, 2022; or
 - (b) the date that the Bank becomes aware of an Event of Default that occurred prior to the date hereof that was not disclosed to it by the Borrower or Guarantors; or
 - (c) the occurrence of an Event of Default following the date hereof.

The Borrower and Guarantors acknowledge that the Bank shall have no obligation to continue to forbear after the expiration of the Forbearance Period, and that the Indebtedness shall become due and payable on September 30, 2022.

- 5.03 Amendments to the Credit Agreement:** The Borrower and Guarantors acknowledge that, effective as at the date of this Agreement, the Credit Agreement is deemed to have been amended as follows:

- (a) During the Forbearance Period, the credit to be drawn under the Operating Line shall be increased by \$200,000.00, such that the maximum credit available to be drawn under the Operating Line shall be \$1,200,000.00. The Operating Line is to reduce to \$800,000 on June 30, 2022. In accordance with the Credit Agreement.
- (b) Under the "Reporting Requirements" section, paragraph e) is added as follows:
 - e) monthly aged listing of accounts receivable and accounts payable within 10 days of each month commencing May 20, 2022;

5.04 New Security: The agreement of the Bank to increase the credit to be drawn under the Operating Line and forbear from the exercise of its rights and remedies as contemplated herein is conditional upon the delivery of a second ranking collateral mortgage against the Business Premises in the amount of \$400,000.00, and related documentation, as security for the Guarantee and the Indebtedness owing to the Bank. The executed New Security shall be returned to the Bank by Robert no later than five Business Days' after the delivery of the New Security by the Bank to Robert and the failure to deliver the New Security in accordance with the timeline provided herein shall constitute an Event of Default under this Agreement.

5.05 Servicing and Reduction of the Indebtedness: Notwithstanding any other provision of this Agreement, the Borrower shall honour all payment obligations in accordance with the provisions of the Credit Agreement and cause the Indebtedness to be permanently reduced as follows:

- (a) the proceeds from all sales, transfers or other disposition of the Assets, or any portion thereof, outside of the ordinary course of the Borrower's business, shall be deposited into the Account and applied by the Bank to permanently reduce the Indebtedness.

Notwithstanding any of the foregoing, the Bank reserves the right to apply the monies received under subsection 5.05(a) against the Indebtedness in such manner as it determines in its sole and absolute discretion.

ARTICLE 6 COVENANTS

6.01 The Borrower and Guarantors hereby jointly and severally covenant and agree with the Bank as follows:

- (a) **Maintain Corporate Status:** The Borrower shall maintain, and the Guarantors shall ensure that the Borrower maintains its corporate existence as a valid and subsisting corporate entity;

- (b) **No Additional Shares:** The Borrower shall not, and the Guarantors shall ensure that the Borrower does not, issue any additional shares from treasury, or permit any of its shares to be transferred or redeemed except with the prior written consent of the Bank;
- (c) **No Corporate Changes:** The Borrower shall not, and the Guarantors shall ensure that the Borrower does not merge, amalgamate or consolidate, with any other corporation except with the prior written consent of the Bank;
- (d) **No Further Obligations:** The Borrower shall not, and the Guarantors shall ensure that the Borrower does not, incur or become liable for any borrowed money, or for the purchase price of assets, obligations and leases, obligations under letters of credit or guarantees or indemnities, obligations given pursuant to bankers' acceptances or indemnities in connection therewith, or any contingent obligation, including, without limitation, guarantees, endorsements or bills of exchange, obligations to purchase assets and obligations to make advances or otherwise provide financial assistance to any other entity without the prior written consent of the Bank, except any of the same which is in the ordinary course of the business of the Borrower, provided, however, that nothing herein shall preclude the Borrower from incurring and becoming liable for borrowed money provided the same is used by the Borrower to repay the Indebtedness in accordance with and pursuant to this Agreement;
- (e) **Notice of Proceedings:** The Borrower shall deliver to the Bank, and the Guarantors shall ensure that the Borrower delivers to the Bank, prompt notice of any dispute, litigation, arbitration or administrative proceedings affecting any of the Assets or the Real Property that is before or of any court, arbitration, tribunal or governmental authority;
- (f) **No Agreements:** Except as expressly permitted herein, the Borrower shall not, and the Guarantors shall ensure that the Borrower, does not, enter into any agreement or employ any strategy, either directly or indirectly, which would affect the ranking of the Security, encumber, restrict or otherwise impair the Assets or the marketability thereof and the Borrower shall work diligently, toward the overall implementation of this Agreement;
- (g) **No Further Security:** The Borrower shall not, and the Guarantors shall ensure that the Borrower does not, grant, execute or deliver any security interests, mortgages, hypothecs, liens, charges, pledges or other encumbrances whatsoever to any person, firm, corporation or other legal entity without the prior written consent of the Bank; however, nothing herein shall preclude the Borrower from granting security against the Assets provided the same is delivered to secure borrowed money that is used by the Borrower to repay the Indebtedness in accordance with and pursuant to this Agreement;
- (h) **Payment of Bonuses, Etc.:** The Borrower shall not, and the Guarantors shall ensure that the Borrower does not, without the prior written consent of the

Bank, incur any capital expenditures, or make any payments, whether directly or indirectly, to any of their shareholders or any other persons, whether by way of dividends, capital dividends, redemption or retraction of shares, bonuses or otherwise;

- (i) **No Repayment to Related Persons:** Until the Indebtedness is repaid in full, there shall be no repayment of any amounts owing by the Borrower to any "related person" as such term is defined under the BIA, without the prior written consent of the Bank;
- (j) **Notice of Event of Default:** The Borrower shall give to the Bank and the Guarantors shall ensure that the Borrower gives to the Bank, prompt notice of any Event of Default or any event which, with notice or lapse of time or both, would constitute an Event of Default;
- (k) **Statutory Remittances:** The Borrower shall, and the Guarantors shall cause the Borrower to, keep current all amounts owing by the Borrower to the Crown, including, without limitation, amounts owing under the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Retail Sales Tax Act* (Ontario) and any other federal, provincial or municipal laws which could give rise to a claim against the Bank in priority to the Security held by the Bank against the Assets (collectively, the "**Priority Payables**"). The Borrower hereby authorizes and directs any entity having information in respect of the Priority Payables to release such information to the Bank or its agents to assist the Bank in evaluating the existence and extent of any indebtedness owing by the Borrower to such entity and the Borrower shall at the request of the Bank execute and deliver such authorizations and consents as the Bank may require in respect of same (the "**Priority Payable Authorizations**");
- (l) **Payment of Priority Payables:** The Borrower shall provide to the Bank, and the Guarantors shall cause the Borrower to provide to the Bank, evidence satisfactory to the Bank, in its sole and absolute discretion (including, among other things, RT, RP and RC reports of the Borrower) that all the Priority Payables have been paid and are current which reports are due on i) May 20, 2022; ii) July 15, 2022 and iii) September 26, 2022 or at the time of repayment of the Indebtedness;
- (m) **Leases:** The Borrower shall maintain, and the Guarantors shall ensure that the Borrower maintains, the Lease and any and all other leases respecting premises upon which it carries on its business operations, or upon which the Assets, or any part thereof, may at any time be situate, in good standing, including, without limitation the payment of rent (and all taxes and other charges payable as rent) when due under such leases;
- (n) **Equipment Suppliers:** The Borrower shall, and the Guarantors shall cause the Borrower to, keep current all of its obligations to third parties that have or

may be granted a lien, charge or security interest in any equipment forming part of the Assets;

- (o) **No Movement of Assets:** The Assets shall not be moved or otherwise relocated from the Business Premises without the prior written consent of the Bank;
- (p) **Financial Reporting:** The Borrower shall honour, and the Guarantors shall cause the Borrower to honour, all financial reporting covenants contained in this Agreement, the Credit Agreement and the HASCAP Credit Agreement;
- (q) **Bank Account:** The Borrower and Guarantors shall ensure that all monies generated by the Borrower in the course of its business operations are deposited into the Account or any other account maintained by the Borrower at the Bank and the Borrower shall only maintain accounts at the Bank;
- (r) **Account Debit Authorization:** The Borrower hereby authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any account in the name of the Borrower for all amounts payable under this Agreement;
- (s) **Compliance:** The Borrower and the Guarantors shall comply, and each shall ensure that the other complies in all respects with all terms and provisions of this Agreement, the Credit Agreement, the HASCAP Credit Agreement, the Security and the Guarantee;
- (t) **Cooperation On Enforcement:** Should an Event of Default occur and the Bank exercises its rights and remedies under this Agreement, the Security, the Guarantee, the Credit Agreement or the HASCAP Credit Agreement, the Borrower shall assist, and the Guarantors shall ensure that the Borrower assists, the Bank in the exercise of such rights and remedies, including, without limitation, assisting the Bank in securing possession of the Assets and providing such assistance as is requested in the sale of same;
- (u) **Consent To Judgment:** The Borrower and each Guarantor shall, contemporaneously with the execution and delivery of this Agreement, execute and deliver to and in favour of the Bank a Consent to Judgment in the form attached hereto as **Schedule "D"** (the "**Consent to Judgment**"), provided that the Bank shall not be entitled to rely upon the Consent to Judgment until the occurrence of an Event of Default; and
- (v) **Consent To Appointment:** The Borrower shall, contemporaneously with the execution and delivery of this Agreement, execute and deliver to and in favour of the Bank a Consent to a Court-Appointed Receiver in the form attached hereto as **Schedule "E"** (the "**Consent to Appointment**"), provided that the Bank shall not be entitled to rely upon the Consent to Appointment until the occurrence of an Event of Default; and

- (w) **Realty Tax Arrears:** The Borrower shall, and the Guarantor shall cause the Borrower to, deliver to the Bank on or before March 4, 2022, a realty tax certificate from the City of Mississauga confirming that the Realty Tax Arrears have been paid in full and that the Borrower is current with all amounts owing to the City of Mississauga in connection with realty taxes for the Mississauga Property; and
- (x) **Progress Reports:** The Borrower shall deliver to the Bank, and the Guarantors shall cause the Borrower to deliver to the Bank on i) July 31, 2022 a discussion paper or term sheet from another financial institution (the "New Lender") detailing the terms being offered to the Borrower for the repayment of the Indebtedness; and ii) August 31, 2022 a commitment letter from the New Lender confirming that it will provide financing to the Borrower for the repayment of the Indebtedness by September 30, 2022.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES

7.01 Representations and Warranties: The Borrower and the Guarantors represent and warrant to and in favour of the Bank and acknowledge that the Bank is relying upon such representations and warranties in entering into this Agreement as follows:

- (a) The Borrower is a corporations duly incorporated, organized and subsisting under the laws of the Province of Ontario;
- (b) The Borrower has all necessary power and authority and is duly qualified and holds all necessary licenses and/or registrations to carry on its business as now conducted and to enter into and perform its obligations under this Agreement;
- (c) the execution, delivery and performance of this Agreement by the Borrower and the performance of its obligations hereunder:
 - (a) have been duly authorized by all necessary corporate actions;
 - (b) do not conflict with or result in a breach or violation of or constitute a default under;
 - A. the constating documents or by-laws of the Borrower;
 - B. any law, rule, regulation, order, judgment, writ, injunction or decree applicable to the Borrower; and
 - C. any commitment, agreement or other instrument to which the Borrower is now a party or otherwise bound: and
 - (c) does not require the consent or approval of any third party;

- (d) all amounts owing by the Borrower under the *Income Tax Act* (Canada), *Excise Tax Act* (Canada), *Retail Sales Tax Act* (Ontario) and any other federal, provincial or municipal laws which could give rise to a claim against the Bank in priority to the Security, are current, including, without limitation, the Real Property, source deductions and harmonized sales tax and there are no amounts owing to Canada Revenue Agency, the Province of Ontario, or any other federal or provincial government agency or body that may give rise to the issuance of a third party requirement to pay or any similar such demand notice;
- (e) there is no matter, fact or event which is known to the Borrower or the Guarantors that have not been disclosed to the Bank which constitutes an Event of Default or is likely to have a material adverse effect on the performance of their respective obligations under this Agreement, or have a material adverse effect on the Assets or the operations of the Borrower and the Borrower has conducted such investigations as it considers reasonably necessary to make this representation and warranty;
- (f) no proceeding or action has been taken or commenced by any person against the Borrower in respect of any amounts owing by the Borrower to any person; and
- (g) the Lease, and any other lease to which the Borrower is a party, remains in full force and effect.

7.02 Non-Merger: The representations and warranties set forth herein shall survive the execution and delivery of this Agreement and shall continue in full force and effect until the repayment of the Indebtedness.

ARTICLE 8 **SECURITY**

- 8.01 Security:** The Security shall continue to be held by the Bank hereunder.
- 8.02 Cross Collateralization:** All Security held by the Bank shall be held as security for all Indebtedness. For greater certainty, the Borrower and Guarantors hereby acknowledge and agree that upon the occurrence of an Event of Default, the Bank shall be entitled to enforce its rights under the Security, or any part thereof, against the Assets, or any portion thereof, to the extent of the Indebtedness.
- 8.03 Access to the Assets:** The Borrower shall provide, and the Guarantors shall ensure that the Borrower provides, access to the Bank or its agents during normal business hours, to enter the Business Premises or any property where the Assets are located to inspect the Assets or to have appraisals made of the Assets, and to examine and make copies of all books and records relating thereto, including any books and records required by the Bank, its representatives or agents to confirm, among other things, that

the Priority Payables are current. All costs in connection with such appraisals, testing and enquires shall form and are hereby deemed to form part of the Indebtedness.

ARTICLE 9
DEFAULT

9.01 Events of Default: Each of the following events shall constitute an Event of Default under this Agreement:

- (a) any default or failure in the observance or performance of any payment, covenant, obligation or agreement contained herein and/or under the Security and/or under the Credit Agreement and/or under the HASCAP Credit Agreement by the Borrower and/or the Guarantors;
- (b) the occurrence of any Event of Default under the Security and/or under the Credit Agreement and/or the HASCAP Credit Agreement;
- (c) any representation, warranty or statement contained herein and/or in the Security and/or in the Credit Agreement and/or in the HASCAP Credit Agreement which is or proves to be untrue or incorrect;
- (d) failure to keep Priority Payables current;
- (e) the receipt by the Bank of a demand or requirement for payment from Canada Revenue Agency, the Province of Ontario, or any other federal, provincial or municipal governmental agency or body, as a result of arrears or monies owing by the Borrower including, without limitation, on account of employee source deductions, harmonized sales tax, corporate tax, employee health tax, employee vacation pay, provincial pension contributions or municipal property taxes;
- (f) the Bank determining, in its sole and absolute discretion, that a material adverse change has occurred in the financial condition, ownership structure or composition or operation of the Borrower;
- (g) the Borrower taking any action or commencing any proceeding or any action or proceeding being taken or commenced by another person or persons against the Borrower in respect of the liquidation, dissolution or winding-up of the Borrower, including, without limitation, any action or proceeding under the *Winding Up and Restructuring Act*, the *Business Corporations Act* (Ontario), or other similar legislation whether now or hereinafter in effect;
- (h) the Borrower taking any action or commencing any proceeding or any action or proceeding being taken or commenced by another person or persons against the Borrower relating to the reorganization, readjustment, compromise or settlement of the debts owed by the Borrower to its respective creditors where such reorganization, readjustment, compromise or settlement shall affect a

substantial portion of the Assets and/or Real Property, including, without limitation, the filing of a notice of intention to make a proposal or the filing of a proposal pursuant to the provisions of the BIA, the making of an order under the *Companies Creditors Arrangements Act (Canada)* or the commencement of any similar action or proceeding by the Borrower;

- (i) the Borrower committing or threatening to commit any act of bankruptcy pursuant to or set out under the provisions of the BIA;
- (j) the filing of a bankruptcy application for a bankruptcy order against the Borrower pursuant to the provisions of the BIA;
- (k) any execution, sequestration or other process of any court or other tribunal becoming enforceable against the Borrower or a distress or analogous action or proceeding being taken, commenced or issued against the Borrower or levied upon or in respect of the Assets or any part thereof, or any lien, trust claim or any other right or entitlement against or in respect of the Assets or any part thereof becoming effective, including, without limitation, a warrant of distress of any rent in respect of any premises occupied by the Borrower, including, without limitation, the Business Premises or any premises in or upon which the Assets or any part thereof may at any time be situate; and
- (l) an interim receiver, receiver, receiver and manager, agent, liquidator or other similar administrator being appointed in respect of the Assets, or any part thereof, or the taking by a secured party, lien claimant, other encumbrancer, judgment creditor or a person asserting similar rights of possession to the Assets or any part thereof.

9.02 Waiver: The Bank may waive in writing any Event of Default, in its sole and absolute discretion, but no such waiver shall constitute a waiver of any other Event of Default.

ARTICLE 10 REMEDIES ON DEFAULT

10.01 Enforcement: Upon the occurrence of an Event of Default:

- (a) the Bank may immediately terminate its agreement to forbear as set forth in section 5.02 hereof and shall be entitled to enforce all of its rights and remedies against the Borrower and/or the Guarantors;
- (b) the Borrower shall assist, and the Guarantors covenant that they will ensure that the Borrower assists, the Bank in the exercise of its rights and remedies, including, without limitation, assisting the Bank in securing possession of the Assets, or any part thereof, and providing such assistance as is requested in the sale of same;

- (c) the Borrower and Guarantors hereby consent to the Bank immediately enforcing its rights under this Agreement, the Credit Agreement, the HASCAP Credit Agreement, and the Security, including, without limitation, the appointment of an interim receiver, receiver or receiver and manager, by way of private appointment or on an application to the Superior Court of Justice (Ontario) (Commercial List), against the Assets;
- (d) the Borrower and Guarantors shall, immediately upon receipt from the Bank or its counsel of a Notice of Disposition pursuant to the provisions of subsection 63(4) of the *Personal Property Security Act* (Ontario), consent to the immediate disposition of the Assets by the Bank and should the Borrower and/or the Guarantors, fail to execute such consent when requested to do so by the Bank, the agreement of the Borrower and/or the Guarantors to do so herein shall be deemed to constitute the irrevocable consent of the Borrower and the Guarantors to the immediate disposition of the Assets by the Bank;
- (e) the Borrower shall immediately upon the filing by the Bank of a bankruptcy application for a bankruptcy order against the Borrower forthwith consent to an immediate bankruptcy order being made against it and should the Borrower fail to execute such consent when requested to do so by the Bank, the consent of the Borrower to do so herein shall be deemed to constitute the irrevocable consent to such bankruptcy order;
- (f) the Bank shall immediately issue an action or application in the Superior Court of Justice (Ontario) (Commercial List) in order to file and enforce the Consent to Judgment referenced in subsection 6.01(u); and
- (g) the Bank shall immediately issue an action or application in the Superior Court of Justice (Ontario) (Commercial List) in order to file and enforce the Consent to Appointment referenced in subsection 6.01(v).

ARTICLE 11 GENERAL

- 11.01 Entire Agreement:** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements or discussions between the Parties whether written or oral.
- 11.02 Headings:** The headings in this Agreement are provided for convenience of reference only and should not be considered to form part hereof for the purpose of interpreting or construing or applying this Agreement and such headings shall not define, limit, extend or describe the scope of this Agreement or any of its terms and conditions.
- 11.03 Schedules:** Schedule "A", "B", "C", "D" and "E" attached hereto form an integral part of this Agreement.

11.04 Severability: If any provision of this Agreement is found by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and shall remain valid and enforceable.

11.05 Notices: Any notice required or permitted to be given hereunder or any tender or delivery of documents may be given in writing by personal delivery, facsimile or other electronic transmission to the Borrower and the Bank at the following addresses:

To the Borrower/Guarantors at:

433 Horner Avenue, Unit 1
Etobicoke ON M8W 4Y4
Attn: Robert Vellend and Martin Vellend
Email: robert@vellendtech.com and martin@vellendtech.com

Andriessen and Associates Business Lawyers

703 Evans Avenue, Suite 101
Toronto, ON M9C 5E9

Attn: Inga B. Andriessen
Tel: 416-620-7020 Ext. 22
Email: iandriessen@andriessen.ca

Attn: Robin Mann
Tel: 416-620-7020 Ext. 23
Email: rmann@andriessen.ca

To the Bank at:

20 King Street West, 2nd Floor
Toronto, ON M5H 1C4
Attn: Michael Foster
Tel: 416-346-1389
Email: michael.foster@rbc.com

with a courtesy copy to:

Minden Gross LLP
145 King Street West, Suite 2200
Toronto, ON M5H 4G2
Attn: Rachel Moses
Fax: 416-864.9223
Email: rmoses@mindengross.com

The date of receipt of such notice shall be the date of the actual delivery to the address specified if delivered or the date of actual transmission to the telecopier number (if

telecopied) or the date of actual electronic transmission, unless such date is not a Business Day, in which event the date of receipt shall be the next Business Day immediately following the date of such delivery or transmission.

- 11.06 No Prejudice:** The provisions hereof shall operate and apply without prejudice to any rights which the Bank may now or in the future have in respect of the Indebtedness, or other liabilities or obligations, whether direct or indirect, matured or not, contingent or otherwise, of the Borrower to the Bank.
- 11.07 Successors and Assigns:** This Agreement may be assigned by the Bank in its sole and absolute discretion, but shall not be assigned by the Borrower or any Guarantor unless authorized by the Bank in writing and this Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors, permitted assigns, heirs and legal personal representatives (as applicable).
- 11.08 Timely Performance:** It is intended by all Parties to this Agreement that all obligations hereunder will be performed strictly in accordance with the provisions of this Agreement and in a timely manner, with time being of the essence hereof. Accordingly, should default occur in the timely performance of any of the obligations by the Borrower for any reason, whether within or beyond its control, the Bank shall upon the occurrence of such default be entitled to rely strictly on its rights and remedies as set forth in this Agreement and under the Credit Agreement and the Security.
- 11.09 Relationship of Parties:** Nothing in this Agreement shall be construed to change the relationship existing between the Borrower and the Bank to one other than the debtor/creditor relationship as it now exists. This Agreement is not entered into, nor shall it create, a partnership, joint venture or agency relationship between the Bank and any of the Parties hereto.
- 11.10 Counterparts and Electronic Execution:** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which taken together shall be deemed to constitute one and the same agreement. A facsimile or other electronic transmission received by each Party of the other Parties signatures shall serve to confirm the execution thereof by each such party.
- 11.11 Governing Law:** This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada as are applicable therein.
- 11.12 No Amendment:** This Agreement shall not be amended unless such amendments are in writing and signed by all Parties.
- 11.13 Further Assurances:** The Borrower and the Guarantor hereby agree to sign or execute all such other documents and do such other things as may be necessary or desirable for more completely and effectively carrying out the terms and intentions of this Agreement.

11.14 Acceptance: The Borrower and Guarantors hereby acknowledge and agree to and with the Bank that on or before 5:00 p.m. on May 20, 2022, they shall deliver to the Bank: (i) a copy of this Agreement executed by the Borrower and the Guarantors; (ii) originals of the Consent to Judgment and the Consent to Appointment; (iii) copies of the New Security as contemplated in section 5.04 hereof; and (iv) copies of the financial information in connection with payment of Priority Payables as contemplated in section 6.01(l) hereof. In the event these condition precedent to the Bank agreeing to forbear have not been satisfied, the Bank may elect to rely upon its rights and remedies under the Credit Agreement, the Security, the Guarantee or otherwise.

[REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement with effect as and from the date first written above

ROYAL BANK OF CANADA

Per: 
Name: Michael Foster
Title: Senior Manager, Special Loans and Advisory Services

I Have Authority to Bind the Bank


VELLEND-TECH INC.

Per: 
Name: Robert Vellend
Title: President

I/We Have Authority to Bind the Corporation




WITNESS Christine Allan



ROBERT VELLEND



WITNESS Christine Allan



MARTIN VELLEND

SCHEDULE "A"
SECURITY

1. General Security Agreement (Form 924) dated June 7, 2005, executed and delivered to and in favour of the Bank by Vellend-Tech Inc.

SCHEDULE "B"
GUARANTEE AND POSTPONEMENT OF CLAIM

1. Guarantee and Postponement of Claim (Form 812) in the amount of \$925,000.00 executed by Robert Vellend and Martin Vellend and dated April 20, 2018.

SCHEDULE "C"
NEW SECURITY

1. Charge/Mortgage of Land in the amount of \$400,000.00 registered against the real property municipally known as 57A Woodbury Road, Toronto, Ontario.

SCHEDULE "D"

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

ROYAL BANK OF CANADA

Plaintiff

and

VELLEND-TECH INC., ROBERT VELLEND and MARTIN VELLEND

Defendants

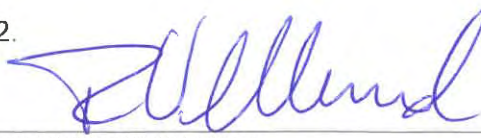
CONSENT

The undersigned consent to Judgment, in substantially the same form as that attached hereto as Schedule "A", being entered against them. The undersigned also certify that the Judgment being sought herein does not affect the rights of any person under disability.

DATED this 11th day of May, 2022.



Witness *Christine Allan*



ROBERT VELLEND



Witness *Christine Allan*



MARTIN VELLEND

VELLEND-TECH INC.



Per: _____

Name: ROB VELLEND

Title: PRESIDENT

I/We Have Authority to Bind the Corporation

pay to the plaintiff, RBC, the sum of \$ _____ in respect of a revolving demand facility owing by Vellend-Tech to RBC.

2. **IT IS ORDERED AND ADJUDGED** that the defendant, Vellend-Tech, shall pay to the plaintiff, RBC, the sum of \$ _____ in respect of a Visa facility owing by Vellend-Tech to RBC.

3. **IT IS ORDERED AND ADJUDGED** that the defendants, Robert and Martin, shall pay to the plaintiff, RBC, the sum of \$ _____ in respect of their joint and several guarantee limited to the principal amount of \$925,000.00 and dated April 20, 2018, in respect of the debts, liabilities and obligations of Vellend-Tech Inc.

4. **IT IS ORDERED AND ADJUDGED** that the defendants, Robert and Martin, shall pay to the plaintiff, RBC, the sum of \$ _____ in respect of costs incurred by the plaintiff, RBC, in respect of this motion.

THIS JUDGMENT BEARS INTEREST as follows:

(a) On the judgment debt of \$ _____ as set out in above paragraph 1 payable by the defendant, Vellend-Tech, to RBC at RBC's prime rate of interest per annum in effect from time to time plus 0.85% per annum from the date of judgment.

(b) On the judgment debt of \$ _____ as set out in above paragraph 2 payable by the defendant, Vellend-Tech, to RBC at the rate of 19.99% per

annum from the date of judgment.

(c) On the judgment debt of \$ _____ as set out in above paragraph 3 payable by the defendants, Robert and Martin, to RBC at RBC's prime rate of interest per annum in effect from time to time plus 5.00% from the date of judgment.

(d) On the costs of \$ _____ as set out in above paragraph 4 payable by the defendants, Vellend-Tech, Robert and Martin, to RBC at the rate of 5.00% per annum from the date of judgment.

SCHEDULE "E"
CONSENT TO RECEIVER

TO: Royal Bank of Canada (the "Lender")

AND TO: Its solicitors, Minden Gross LLP

Vellend-Tech Inc. (the "Debtor") hereby consents to: (i) the immediate appointment by the Lender of a private receiver or receiver and manager in respect of the Debtor's assets, property and undertaking, including the real property municipally known as 433 Horner Avenue, Unit 1, Etobicoke, Ontario and any and all of the Debtor's books and records (collectively, the "Assets"); and/or (ii) the immediate appointment by Court Order in substantially the form attached hereto as Schedule "A" of a receiver or receiver and manager of the Assets pursuant to subsections 47(1) and 243(1) of the *Bankruptcy and Insolvency Act* and section 101 of the *Courts of Justice Act*

DATED this 11th day of May, 2022.

VELLEND-TECH INC.

By: 

Name: ROB VELLEND

Title: PRESIDENT

I have authority to bind the corporation

Schedule "A"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

| | | |
|----------------|---|--------------------|
| THE HONOURABLE |) | WEEKDAY, THE # |
| |) | |
| JUSTICE |) | DAY OF MONTH, 20YR |

ROYAL BANK OF CANADA¹

Plaintiff

- and -

VELLEND-TECH INC.

Defendant

**ORDER
(appointing Receiver)**

THIS MOTION made by the Plaintiff² for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing [RECEIVER'S NAME] as receiver [and manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2570024 Ontario Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

¹ The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

ON READING the affidavit of [NAME] sworn [DATE] and the Exhibits thereto and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of [RECEIVER'S NAME] to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated³ 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, [RECEIVER'S NAME] 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;

³ If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

- (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.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

⁴ This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,]⁵ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (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;

⁵ If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.

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

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, 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's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any

employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the

Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges 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.⁶

⁶ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

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 \$_____ (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/sc/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>':

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's 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.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] 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 ___ day of _____, 20__ (the "Order") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the _____ day of _____, 20__.


[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

This is Exhibit "K" referred to
in the Affidavit of Michael Foster
Sworn this 24th
day of April, 2023.


Rachel Moses (Apr 24, 2023 12:46 EDT)

A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V

November 16, 2022

msi Spergel inc.,
200 Yorkland, Suite 1100
Toronto, ON M2J 5C1

Attention: Mukul Manchanda, CPA, CIRP, LIT

Dear Sirs:

Re: VELLEND-TECH INC. (the “Company”)

The purpose of this letter is to set out the terms upon which the Royal Bank of Canada (the “**Bank**”) will engage msi Spergel inc. (“**Spergel**”) to act on the Bank’s behalf as consultant (the “**Consultant**”) to review and report on the financial and operational performance of the Company and to evaluate the Bank’s security position, in accordance with the terms and provisions of this agreement including, but not limited to, the following:

1. Reviewing the current financial position and more recent financial results achieved by the Company;
2. Reviewing the Company’s go forward annual financial projections and prepare a monthly projection if necessary;
3. Reviewing the Company’s 13-week cash flow forecast;
4. Reviewing any agreements between the Company and the landlord of premises leased by the Company;
5. Reviewing and analysing the existence and validity of claims against the Company including liens, potential liens, environmental liabilities, practical priorities and the impact of those priority claims on Company assets and the Bank’s loan position;
6. Reviewing and analysing the existence and validity of accounts receivable including, but not limited to, a review of customer invoices, sales contracts, long-term supply agreements and any and all documentation to support the basis of reported accounts receivable;
7. Reviewing and investigating all other matters, which may affect in any manner whatsoever the security position of the Bank or the ability of the Bank to recover the indebtedness of the Company to the Bank, including all transactions or dealings with related entities;
8. Providing, based on your findings and in your sole discretion, such recommendations, only to the Bank, as you deem appropriate. For greater certainty, your analysis and recommendation of any issue considered by you in your sole discretion to be relevant to this engagement will not necessarily be subject to the review by the Company.

You are to have no managerial capacity or decision-making responsibilities with respect to the

business of the Company. We acknowledge that your review and advice will be based mainly on data supplied by the Company, supplemented by discussions with management. We understand that, although all information gathered will be reviewed for reasonableness, you will not be conducting an audit. Therefore, your work will not necessarily disclose any errors, irregularities or illegal acts, if such exist, on the part of the Company or its officers and employees.

Management of the Company have agreed to provide you with the full co-operation of the Company's employees including full access to facilities, assets and records during normal business hours. Management has indicated that they will answer all questions fully and fairly to the best of their ability and knowledge.

Management has agreed to keep you informed of any matters arising that are relevant to your work and have further confirmed that you are and will remain at liberty to disclose to us any information which you consider relevant to our security and our understanding of the current security position of the Company.

This engagement and your related work should be kept confidential. The explanation that you give to any of the Company's employees who are not aware of your mandate as to the nature of the mandate is a matter for the Company's management to decide and to advise you thereof.

We understand that you will advise us if any situation comes to your attention that would materially affect the terms of this engagement letter.

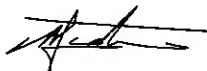
The Company has accepted responsibility for your fees and expenses incurred in carrying out this engagement, failing which we guarantee their prompt payment and will debit the Company's accounts for such fees and expenses. We understand that your fees will be based on the time expended multiplied by the hourly rates and levels of staff involved. You are hereby authorized to use any of your employees or agents, as you consider necessary in your review of the affairs of the business of the Company.

The engagement of a Consultant shall not operate as a waiver or merger of any rights the Bank has under any agreement with the Company or under any security granted to it for the indebtedness of the Company to the Bank.

Dated at Toronto this 18 day of November 2022

Royal Bank of Canada

Per:



Name: Michael Foster

Title: Senior Manager

The undersigned duly authorized representatives of the Company hereby consent to the terms of this engagement letter and the appointment of Spergel on the basis set out herein.

The Company understands and agrees that, notwithstanding the mandate set out herein, the remedies available to the Bank under the terms of its security with the Company remain in full force and effect and that the Bank can take steps to act on that security at any time.

The Company understands that if the Bank decides to enforce any of the security held by it against the Company's assets, the Consultant, or any person or corporation associated with it may, without the Company's consent, be appointed to act as Receiver and Manager of the Company's assets or as agent of the Bank.

The undersigned acknowledges and agrees that the employees and management of the Company will extend to Spergel unrestricted access to all of the books and records of the Company. During the course of this engagement, the undersigned acknowledges and agrees that Spergel will take no part in the management of the Company's business, for which the sole responsibility remains with the Company.

The undersigned acknowledges and agrees that the Company will be responsible for the prompt payment of the fees and expenses of Spergel relating to this engagement and that, if such fees and expenses cannot be paid directly, they will be paid by the Bank and added to the Company's indebtedness.

VELLEND-TECH INC.

Per:



Name: Martin Vellend

Title: *V.P.*

I have authority to bind the corporation

NOV 19, 2022

Per:



Name: Robert Vellend


Title: *PRESIDENT*

I have authority to bind the corporation

NOV 19, 2022

msi Spergel inc. hereby consents to this engagement on the basis set out in the letter and agrees to operate within the terms of the engagement.


Per:



Name: Mukul Manchanda, CPA, CIRP, LIT

Title: Managing Partner

This is Exhibit "L" referred to
in the Affidavit of Michael Foster
Sworn this 24th
day of April, 2023.


Rachel Moses (Apr 24, 2023 12:46 EDT)

A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V

Christine Cavarzan

From: Robin Mann <rmann@andriessen.ca>
Sent: Monday, March 20, 2023 1:34 PM
To: Rachel Moses
Cc: Christine Allan; Foster, Michael
Subject: RE: 664031 - Vellend-Tech Inc. and Accommodation Request

Hi Rachel,

Thank you for your email. We will reach out to our client and advise them of the bank's timeline.

Yours very truly,

Robin K. Mann J.D.

Andriessen & Associates, Business Lawyers

703 Evans Avenue, Suite 101
Toronto, ON
M9C 5E9

tel: 416-620-7020 ext. 23
fax: 416-620-1398

This email is directed in confidence solely to the person(s) named herein and may not otherwise be distributed, copied or disclosed. The contents of this email may also be subject to solicitor-client privilege and all rights to that privilege are expressly claimed and not waived. If you received this email in error, please notify our firm immediately by telephone and return the original to us by mail, or destroy same, without making a copy. Thank you for your assistance.

CASL Unsubscribe Information: If you do not wish to communicate with me by email, please reply to this email and advise of that fact.

From: Rachel Moses <RMoses@mindengross.com>
Sent: March 20, 2023 9:15 AM
To: Robin Mann <rmann@andriessen.ca>
Cc: Christine Allan <callan@andriessen.ca>; Foster, Michael <michael.foster@rbc.com>
Subject: RE: Vellend-Tech Inc. and Accommodation Request

Hello Robin,

As you are aware, the Bank has provided numerous extensions to your clients to repay the indebtedness owing. Despite these extensions, the indebtedness has not been repaid in full. On March 17, 2023, the Bank advised your clients that it requires all indebtedness to be repaid in full on or before **April 20, 2023**, failing which the Bank is at liberty to enforce the consent to receivership and the consent to judgment. Please treat this as formal 30 days' notice that all indebtedness must be repaid in full by **April 20, 2023**.

In the interim, the Bank reserves all of its rights and remedies.



RACHEL MOSES**T:** [416.369.4115](tel:416.369.4115) **F:** 416.864.9223 www.mindengross.com

145 King St. West, Suite 2200, Toronto, ON M5H 4G2

Save contact details: [Rachel Moses](#)**MERITAS LAW FIRMS WORLDWIDE**

This communication is for the use of the individual or entity named herein and contains information that may be privileged and confidential. If you are not the intended recipient, any dissemination, distribution or copying of this message or its contents is strictly prohibited. If you have received this message in error, please advise the sender immediately.

From: Robin Mann [<mailto:rmann@andriessen.ca>]
Sent: Wednesday, November 16, 2022 8:32 PM
To: Rachel Moses <RMoses@mindengross.com>
Cc: Christine Allan <callan@andriessen.ca>
Subject: RE: Vellend-Tech Inc. and Accommodation Request

Hi Rachel,

Thank you for your email and providing the engagement letter. We will follow up with our client accordingly.

Yours very truly,

Robin K. Mann J.D.

Andriessen & Associates, Business Lawyers

703 Evans Avenue, Suite 101

Toronto, ON

M9C 5E9

tel: 416-620-7020 ext. 23

fax: 416-620-1398

This email is directed in confidence solely to the person(s) named herein and may not otherwise be distributed, copied or disclosed. The contents of this email may also be subject to solicitor-client privilege and all rights to that privilege are expressly claimed and not waived. If you received this email in error, please notify our firm immediately by telephone and return the original to us by mail, or destroy same, without making a copy. Thank you for your assistance.

CASL Unsubscribe Information: If you do not wish to communicate with me by email, please reply to this email and advise of that fact.

From: Rachel Moses <RMoses@mindengross.com>
Sent: November 16, 2022 4:51 PM
To: Robin Mann <rmann@andriessen.ca>
Cc: Christine Allan <callan@andriessen.ca>
Subject: RE: Vellend-Tech Inc. and Accommodation Request

Hello Robin,

Further to my email below, please see attached Engagement letter for execution by your client. The sign back deadline is November 21, 2022 as indicated below.



RACHEL MOSES**T:** [416.369.4115](tel:416.369.4115) **F:** 416.864.9223 www.mindengross.com

145 King St. West, Suite 2200, Toronto, ON M5H 4G2

Save contact details: [Rachel Moses](#)**MERITAS LAW FIRMS WORLDWIDE**

This communication is for the use of the individual or entity named herein and contains information that may be privileged and confidential. If you are not the intended recipient, any dissemination, distribution or copying of this message or its contents is strictly prohibited. If you have received this message in error, please advise the sender immediately.

From: Rachel Moses
Sent: Wednesday, November 16, 2022 10:23 AM
To: 'Robin Mann' <rmann@andriessen.ca>
Cc: Christine Allan <callan@andriessen.ca>
Subject: Vellend-Tech Inc. and Accommodation Request

Hello Robin,

Thank you for your email sent on November 14, 2022. Unfortunately, neither your email nor the attachments provide any clarity or certainty that the Bank will be repaid forthwith. As you are aware, it has been over 6 months since the Bank made demand (April 26, 2022) and under the signed Forbearance Agreement dated May 9, 2022, all indebtedness was to have been repaid in full by September 30, 2022 (more than 7 weeks ago).

Notwithstanding the failure of Vellend-Tech Inc. to repay in full all indebtedness owing to the Bank by September 30, 2022, the Bank is prepared to grant Vellend-Tech Inc. an extension until December 23, 2022 (the “**Accommodation**”) to repay the indebtedness in full. However, the extension is conditional on the appointment of a consultant, msi Spergel inc., to assess the security position of RBC with respect to Vellend-Tech Inc. which will be at the cost of Vellend-Tech Inc. I will provide you separately with the letter appointing msi Spergel inc. as consultant for RBC in respect of Vellend-Tech Inc. which is to be signed by Vellend-Tech Inc. by no later than **November 21, 2022**.

The Bank emphasizes that it is expressly understood that this Accommodation is being made without prejudice to or the waiver of any of its legal rights, including its rights to enforce the consent to receivership and the consent to judgment in order to realize upon its security should the indebtedness in any way whatsoever be defaulted upon prior to December 23, 2022, or if in the Bank’s sole discretion its position as secured creditor after November 16, 2022 is in any way jeopardized. In such event, the Bank’s right to enforce the consent to receivership and the consent to judgment shall exist as if uninterrupted by this Accommodation.

Please note that under no circumstances will the Bank be prepared to consider any further accommodation. It will be necessary for you to ensure that the necessary funds will be available in order to pay all indebtedness in full on or before December 23 2022.

In the interim, the Bank reserves all of its rights and remedies against your clients.

**RACHEL MOSES**

T: [416.369.4115](tel:416.369.4115) F: 416.864.9223 www.mindengross.com
145 King St. West, Suite 2200, Toronto, ON M5H 4G2
Save contact details: [Rachel Moses](#)

MERITAS LAW FIRMS WORLDWIDE

This communication is for the use of the individual or entity named herein and contains information that may be privileged and confidential. If you are not the intended recipient, any dissemination, distribution or copying of this message or its contents is strictly prohibited. If you have received this message in error, please advise the sender immediately.

From: Robin Mann [<mailto:rmann@andriessen.ca>]
Sent: Monday, November 14, 2022 6:21 PM
To: Rachel Moses <RMoses@mindengross.com>
Cc: Christine Allan <callan@andriessen.ca>
Subject: RE: 663140 - Vellend - Debt to RBC

Hi Rachel,

We are writing to advise that our client is in the process of securing a new lender.

The current lenders they are working with are TD, HSBC, and Liquid Capital.

We have included their most recent correspondences with HSBC and TD. We have also attached their loan application to Liquid Capital.

The representative from TD advises that they should have an update on the loan on Wednesday of this week. HSBC has requested year-end financials which our client will provide by Monday November 21, in the latest.

Despite all the efforts made by our client to move the process along, the lenders have been slow to respond.

As previously requested, our client requires until the end of the month to finalize their new lender and asks the bank for its indulgence at this time.

Yours very truly,

Robin K. Mann J.D.

Andriessen & Associates, Business Lawyers
703 Evans Avenue, Suite 101
Toronto, ON
M9C 5E9

tel: 416-620-7020 ext. 23
fax: 416-620-1398

This email is directed in confidence solely to the person(s) named herein and may not otherwise be distributed, copied or disclosed. The contents of this email may also be subject to solicitor-client privilege and all rights to that privilege are expressly claimed and not waived. If you received this email in error, please notify our firm immediately by telephone and return the original to us by mail, or destroy same, without making a copy. Thank you for your assistance.

CASL Unsubscribe Information: If you do not wish to communicate with me by email, please reply to this email and advise of that fact.

This is Exhibit "M" referred to
in the Affidavit of Michael Foster
Sworn this 24th
day of April, 2023.



Rachel Moses (Apr 24, 2023 12:46 EDT)

.....
A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V

Christine Cavarzan

From: Robin Mann <rmann@andriessen.ca>
Sent: Thursday, April 20, 2023 5:13 PM
To: Rachel Moses
Cc: Christine Allan; 'Foster, Michael'
Subject: RE: 664031 - Vellend-Tech Inc. and Accommodation Request

Hi Rachel,

We are writing to advise that despite their serious efforts to secure a new lender, our client is unable to obtain further financing.

Our client has met with an insolvency professional who will be reaching out to you directly.

Yours very truly.

Robin K. Mann J.D.

Andriessen & Associates, Business Lawyers

703 Evans Avenue, Suite 101
Toronto, ON
M9C 5E9

tel: 416-620-7020 ext. 23
fax: 416-620-1398

This email is directed in confidence solely to the person(s) named herein and may not otherwise be distributed, copied or disclosed. The contents of this email may also be subject to solicitor-client privilege and all rights to that privilege are expressly claimed and not waived. If you received this email in error, please notify our firm immediately by telephone and return the original to us by mail, or destroy same, without making a copy. Thank you for your assistance.

CASL Unsubscribe Information: If you do not wish to communicate with me by email, please reply to this email and advise of that fact.

From: Rachel Moses <RMoses@mindengross.com>
Sent: Thursday, April 20, 2023 12:24 PM
To: Robin Mann <rmann@andriessen.ca>
Cc: Christine Allan <callan@andriessen.ca>; 'Foster, Michael' <michael.foster@rbc.com>
Subject: RE: Vellend-Tech Inc. and Accommodation Request

Hi Robin,

The payout of all indebtedness is due today, failing which RBC is at liberty to take out the consent to receivership and judgment and enforce its rights and remedies to recover the Indebtedness. In this regard, we have not been requested for a payout letter. Is it your clients' intentions to repay the indebtedness today? Please advise

In the interim, the Bank reserves all of its rights and remedies.

Rachel Moses | T: 416.369.4115 | F: 416.864.9223 | www.mindengross.com

MERITAS LAW FIRMS WORLDWIDE



From: Rachel Moses
Sent: Monday, March 20, 2023 9:14 AM
To: Robin Mann <rmann@andriessen.ca>
Cc: Christine Allan <callan@andriessen.ca>; Foster, Michael <michael.foster@rbc.com>
Subject: RE: Vellend-Tech Inc. and Accommodation Request

Hello Robin,

As you are aware, the Bank has provided numerous extensions to your clients to repay the indebtedness owing. Despite these extensions, the indebtedness has not been repaid in full. On March 17, 2023, the Bank advised your clients that it requires all indebtedness to be repaid in full on or before **April 20, 2023**, failing which the Bank is at liberty to enforce the consent to receivership and the consent to judgment. Please treat this as formal 30 days' notice that all indebtedness must be repaid in full by **April 20, 2023**.

In the interim, the Bank reserves all of its rights and remedies.



RACHEL MOSES

T: [416.369.4115](tel:416.369.4115) **F:** 416.864.9223 www.mindengross.com
145 King St. West, Suite 2200, Toronto, ON M5H 4G2
Save contact details: [Rachel Moses](#)

MERITAS LAW FIRMS WORLDWIDE

This communication is for the use of the individual or entity named herein and contains information that may be privileged and confidential. If you are not the intended recipient, any dissemination, distribution or copying of this message or its contents is strictly prohibited. If you have received this message in error, please advise the sender immediately.

From: Robin Mann [<mailto:rmann@andriessen.ca>]
Sent: Wednesday, November 16, 2022 8:32 PM
To: Rachel Moses <RMoses@mindengross.com>
Cc: Christine Allan <callan@andriessen.ca>
Subject: RE: Vellend-Tech Inc. and Accommodation Request

Hi Rachel,

Thank you for your email and providing the engagement letter. We will follow up with our client accordingly.

Yours very truly,

Robin K. Mann J.D.

Andriessen & Associates, Business Lawyers
703 Evans Avenue, Suite 101
Toronto, ON
M9C 5E9

tel: 416-620-7020 ext. 23

fax: 416-620-1398

This email is directed in confidence solely to the person(s) named herein and may not otherwise be distributed, copied or disclosed. The contents of this email may also be subject to solicitor-client privilege and all rights to that privilege are expressly claimed and not waived. If you received this email in error, please notify our firm immediately by telephone and return the original to us by mail, or destroy same, without making a copy. Thank you for your assistance.

CASL Unsubscribe Information: If you do not wish to communicate with me by email, please reply to this email and advise of that fact.

From: Rachel Moses <RMoses@mindengross.com>
Sent: November 16, 2022 4:51 PM
To: Robin Mann <rmann@andriessen.ca>
Cc: Christine Allan <callan@andriessen.ca>
Subject: RE: Vellend-Tech Inc. and Accommodation Request

Hello Robin,

Further to my email below, please see attached Engagement letter for execution by your client. The sign back deadline is November 21, 2022 as indicated below.



RACHEL MOSES

T: [416.369.4115](tel:416.369.4115) **F:** 416.864.9223 www.mindengross.com
145 King St. West, Suite 2200, Toronto, ON M5H 4G2
Save contact details: [Rachel Moses](#)

MERITAS LAW FIRMS WORLDWIDE

This communication is for the use of the individual or entity named herein and contains information that may be privileged and confidential. If you are not the intended recipient, any dissemination, distribution or copying of this message or its contents is strictly prohibited. If you have received this message in error, please advise the sender immediately.

From: Rachel Moses
Sent: Wednesday, November 16, 2022 10:23 AM
To: 'Robin Mann' <rmann@andriessen.ca>
Cc: Christine Allan <callan@andriessen.ca>
Subject: Vellend-Tech Inc. and Accommodation Request

Hello Robin,

Thank you for your email sent on November 14, 2022. Unfortunately, neither your email nor the attachments provide any clarity or certainty that the Bank will be repaid forthwith. As you are aware, it has been over 6 months since the Bank made demand (April 26, 2022) and under the signed Forbearance Agreement dated May 9, 2022, all indebtedness was to have been repaid in full by September 30, 2022 (more than 7 weeks ago).

Notwithstanding the failure of Vellend-Tech Inc. to repay in full all indebtedness owing to the Bank by September 30, 2022, the Bank is prepared to grant Vellend-Tech Inc. an extension

until December 23, 2022 (the “**Accommodation**”) to repay the indebtedness in full. However, the extension is conditional on the appointment of a consultant, msi Spergel inc., to assess the security position of RBC with respect to Vellend-Tech Inc. which will be at the cost of Vellend-Tech Inc. I will provide you separately with the letter appointing msi Spergel inc. as consultant for RBC in respect of Vellend-Tech Inc. which is to be signed by Vellend-Tech Inc. by no later than **November 21, 2022**.

The Bank emphasizes that it is expressly understood that this Accommodation is being made without prejudice to or the waiver of any of its legal rights, including its rights to enforce the consent to receivership and the consent to judgment in order to realize upon its security should the indebtedness in any way whatsoever be defaulted upon prior to December 23, 2022, or if in the Bank’s sole discretion its position as secured creditor after November 16, 2022 is in any way jeopardized. In such event, the Bank’s right to enforce the consent to receivership and the consent to judgment shall exist as if uninterrupted by this Accommodation.

Please note that under no circumstances will the Bank be prepared to consider any further accommodation. It will be necessary for you to ensure that the necessary funds will be available in order to pay all indebtedness in full on or before December 23 2022.

In the interim, the Bank reserves all of its rights and remedies against your clients.



RACHEL MOSES

T: [416.369.4115](tel:416.369.4115) F: 416.864.9223 www.mindengross.com

145 King St. West, Suite 2200, Toronto, ON M5H 4G2

Save contact details: [Rachel Moses](#)

MERITAS LAW FIRMS WORLDWIDE

This communication is for the use of the individual or entity named herein and contains information that may be privileged and confidential. If you are not the intended recipient, any dissemination, distribution or copying of this message or its contents is strictly prohibited. If you have received this message in error, please advise the sender immediately.

From: Robin Mann [<mailto:rmann@andriessen.ca>]

Sent: Monday, November 14, 2022 6:21 PM

To: Rachel Moses <RMoses@mindengross.com>

Cc: Christine Allan <callan@andriessen.ca>

Subject: RE: 663140 - Vellend - Debt to RBC

Hi Rachel,

We are writing to advise that our client is in the process of securing a new lender.

The current lenders they are working with are TD, HSBC, and Liquid Capital.

We have included their most recent correspondences with HSBC and TD. We have also attached their loan application to Liquid Capital.

The representative from TD advises that they should have an update on the loan on Wednesday of this week. HSBC has requested year-end financials which our client will provide by Monday November 21, in the latest.

Despite all the efforts made by our client to move the process along, the lenders have been slow to respond.

As previously requested, our client requires until the end of the month to finalize their new lender and asks the bank for its indulgence at this time.

Yours very truly,

Robin K. Mann J.D.

Andriessen & Associates, Business Lawyers

703 Evans Avenue, Suite 101

Toronto, ON

M9C 5E9

tel: 416-620-7020 ext. 23

fax: 416-620-1398

This email is directed in confidence solely to the person(s) named herein and may not otherwise be distributed, copied or disclosed. The contents of this email may also be subject to solicitor-client privilege and all rights to that privilege are expressly claimed and not waived. If you received this email in error, please notify our firm immediately by telephone and return the original to us by mail, or destroy same, without making a copy. Thank you for your assistance.

CASL Unsubscribe Information: If you do not wish to communicate with me by email, please reply to this email and advise of that fact.

B E T W E E N

ROYAL BANK OF CANADA
Plaintiff

-and-

VELLEND-TECH INC., et al.
Defendants
Court File No. CV-23-00698375-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

AFFIDAVIT OF MICHAEL FOSTER

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO#42081V)
rmoses@mindengross.com
Tel: 416-369-4115

Lawyers for the Plaintiff

(File No. 4128221)



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

VELLEND-TECH INC., ROBERT D. VELLEND and MARTIN A. VELLEND

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANT(S):

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

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

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

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

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$750 for costs, within the time for serving and filing your Statement of Defence, you may move to have this proceeding dismissed by the Court. If you believe the amount claimed for costs is excessive, you may pay the Plaintiff's claim and \$400 for costs and have the costs assessed by the Court.

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

Date April 24, 2023

Issued by _____

Local Registrar

Address of court office: 330 University Avenue, 8th Floor
Toronto ON M5G 1R7

TO: **VELLEND-TECH INC.**
433 Horner Avenue, Unit 1
Etobicoke ON M8W 4Y4

AND TO: **ROBERT D. VELLEND**
20 Abilene Drive
Etobicoke ON M9A 2M8

AND TO: **MARTIN A. VELLEND**
61 Glen Davis Crescent
Toronto ON M4E 1X7

- 3 -

CLAIM

1. The plaintiff, Royal Bank of Canada (“**RBC**”), claims as against the defendant, Vellend-Tech Inc. (the “**Company**”):

- (a) payment of the sum of \$1,074,363.07 in respect of a revolving demand facility owing by the Company to RBC, plus interest thereon from April 22, 2023 to the date of judgment at RBC’s prime rate of interest per annum in effect from time to time plus 0.85% per annum, both before and after judgment;
- (b) payment of the sum of \$238,844.01 in respect of a non-revolving term facility owing by the Company to RBC (the “**HASCAP Facility**” defined herein), plus interest thereon from April 22, 2023 to the date of judgment at the rate of 4.00% per annum, both before and after judgment; and
- (c) payment of the sum of \$38,024.74 in respect of a Visa facility, plus interest thereon from April 22, 2023 to the date of judgment in accordance with the Visa arrangements between RBC and the Company (interest is at the rate of 19.99% per annum) both before and after judgment.

2. RBC claims as against the defendants, Robert D. Vellend (“**Robert**”) and Martin A. Vellend (“**Martin**”):

- 4 -

- (a) payment of the sum of \$925,000.00 under Robert and Martin's joint and several guarantee of the debts of the Company to RBC, plus interest thereon from April 22, 2023 to the date of judgment at RBC's prime rate of interest per annum in effect from time to time plus 5.00%, both before and after judgment;
3. RBC claims as against the defendant, Robert;
 - (a) vacant possession of the property described as LT 184, PL 2175, EXCEPT TB9123; ETOBICOKE, CITY OF TORONTO, municipally known as 57 A Woodbury Road, Etobicoke, Ontario, PIN 07574-0126, registered as Instrument No. AT6075037 (the "**Woodbury Property**") pursuant to a demand Charge/Mortgage registered as Instrument No. AT6075037 on May 11, 2022 in the principal amount of \$400,000.00 granted by Robert to RBC in respect of the Woodbury Property (the "**1st Collateral Charge**") and pursuant to a demand Charge/Mortgage registered as Instrument No. AT6139443 on July 25, 2022 in the principal amount of \$100,000.00 granted by Robert to RBC in respect of the Woodbury Property (the "**2nd Collateral Charge**"). The 1st Collateral Charge and the 2nd Collateral Charge are collectively referred to as "**Collateral Charges**".
4. RBC claims as against the defendants collectively:

- 5 -

- (a) in the alternative to the interest claimed above, pre-judgment and post-judgment interest in accordance with sections 128 and 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (b) the costs of this proceeding on a solicitor and client basis in accordance with the loan and security documents delivered by the defendants to RBC as described further herein. At the time of pleading, the legal fees, disbursements and HST paid by RBC are \$19,805.47; and
- (c) such further and other relief as this Honourable Court may deem just.

The Parties

- 5. RBC is a chartered bank with offices in Toronto, Ontario.
- 6. The Company is incorporated pursuant to the laws of Ontario. Its registered office address is 433 Horner Avenue, Unit 1, Etobicoke, Ontario.
- 7. The Company is in the business of selling bicycles and bicycle parts.
- 8. Robert and Martin are individuals residing in the Province of Ontario. Robert and Martin are officers and directors of the Company and they, jointly and severally, guaranteed the debts of the Company to RBC.
- 9. The Company, Robert and Martin consented to judgment under the Forbearance Agreement as detailed further below.

- 6 -

Credit Agreement and Security

10. Pursuant to a recent credit agreement dated February 24, 2020, accepted and signed by the Company on February 28, 2020, together with amending credit agreements dated January 26, 2021, March 24, 2021 and March 10, 2022, including RBC Terms and Conditions (collectively, the “**Credit Agreement**”), RBC extended credit facilities (collectively the “**Credit Facilities**”) to the Company as follows:

| | |
|----------------|------------------------|
| Facility #1 | Operating Facility |
| Other Facility | Visa Business Facility |

11. RBC pleads that the Operating Facility and the Visa Business Facility are repayable on demand.

12. The section “General Covenants” of the RBC Terms and Conditions to the Credit Agreement, provides that, among other things, the Company will:

- (a) pay all sums of money when due under the terms of the Credit Agreement.

13. RBC pleads and relies upon the terms of the Credit Agreement.

14. Pursuant to a credit facilities agreement dated October 28, 2021, and accepted by the Company on October 30, 2021, including the Terms and Conditions and the Schedules, RBC extended a \$250,000.00 non-revolving HASCAP term facility to the Company.

- 7 -

15. In support of the Credit Facilities, the Company executed a general security agreement on the Bank's Standard Form 924 in favour of RBC dated June 7, 2005 ("**GSA**").

16. By written guarantee and postponement of claim on RBC's Standard Form 812 dated April 20, 2018, Robert and Martin jointly and severally guaranteed payment to RBC of all the debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Company to RBC, limited to the principal amount of \$925,000.00 together with interest from the date of demand at a rate equal to RBC's prime interest rate per annum in effect from time to time plus 5.00%, both before and after judgment (the "**Guarantee**").

17. The Guarantee provides that:

- (a) the guarantors guarantee payment of any and all present and future debts and liabilities owing to RBC by the Company;
- (b) the Guarantee is continuing and all accounts guarantee and covers all liabilities and shall apply to secure any ultimate balance due, or remaining unpaid by the Company to RBC;
- (c) the guarantors' liability to make payment to RBC arises immediately upon receiving a written demand for payment from RBC;

- 8 -

- (d) a demand for payment is effectively made on the guarantors by sending them an envelope containing a demand addressed to their place of address last known to RBC;
- (e) once demand has been made, the guarantors are liable to RBC for interest on the amount demanded at a rate of 5.00% per annum above RBC's prime interest rate, from and including the date of demand until payment;
- (f) the guarantors are liable to RBC for all legal fees and costs that RBC incurs on a complete indemnity scale from and including the date of demand; and
- (g) RBC is not bound to exhaust recourse against the Company, or other persons or security, before being entitled to payment from the guarantors.

18. RBC pleads and relies upon the terms of the Guarantee and the GSA.

Transfer to Special Loans and Forbearance Agreement

19. The accounts of the Company were transferred to RBC's Special Loans and Advisory Services Group in or about April of 2022.

20. By letter dated April 25, 2022, RBC advised the Company as follows:

- 9 -

“It appears to the Bank that the Company has experienced financial difficulties and the Bank has concerns based on the following:

- operating loans are locked in (lack of fluctuation);
- cash flow difficulties;
- working capital shortfall;
- the Company’s inability to meet the covenants (ie. D/TNW, Current Ratio, Debt Servicing) and conditions which form part of the Company’s agreement with the Bank”

21. By way of demand letter sent on April 26, 2022, RBC made demand on the Company for the repayment of the Operating Facility and the Visa Business Facility owed to RBC. As part of the demand letter, RBC also gave notice of its intention to enforce its security pursuant to section 244(1) of the Bankruptcy and Insolvency Act. RBC demands were also made on Robert and Martin in respect of the Guarantee.

22. Following the issuance of the RBC demands, the parties entered into a forbearance agreement on May 9, 2022 (the “**Forbearance Agreement**”) to allow the Company with the opportunity to arrange for the repayment of all indebtedness owing to RBC.

23. Under the Forbearance Agreement, the indebtedness was to be repaid in full on or before September 30, 2022. The Company executed and delivered to RBC a consent to receivership. The Company, Robert and Martin executed and delivered to RBC a consent to judgment.

24. An amending forbearance agreement dated July 18, 2022 (the “**Amending FA**”) was entered into by the parties. Under the Amending FA, the forbearance period

- 10 -

remained unchanged and the Company was still required to repay all indebtedness to RBC on September 30, 2022.

25. Under the Forbearance Agreement, Robert executed and delivered to RBC the 1st Collateral Charge. Under the Amending FA, Robert executed and delivered to RBC the 2nd Collateral Charge.

26. The Company did not repay the indebtedness on September 30, 2022 as required under the Forbearance Agreement.

27. Despite this, RBC agreed to further forbear as the Company consented to the appointment of msi Spergel inc. as consultant to review and report on the financial and operational performance of the Company to RBC.

28. msi Spergel inc. commenced its appointment in or about November 2022.

29. The forbearance period continued into December 2022, January 2023, February 2023 and March 2023. On March 20, 2023, RBC advised the Company that it would no longer grant any further extensions and the indebtedness was due and payable by no later than April 20, 2023.

30. RBC pleads that the Company failed to repay the indebtedness on April 20, 2023, and advised that: "... despite [its] serious efforts to secure a new lender, [the Company] is unable to obtain further financing. [The Company] has met with an insolvency professional who will be reaching out to you directly."

- 11 -

31. The indebtedness owing by the Company to RBC remains outstanding.

32. Section 13 of the GSA provides for the appointment of a receiver upon default.

33. The Company consented to the appointment of a receiver in the event that it was unable to repay all indebtedness to RBC by April 20, 2023.

34. RBC is entitled to take any and all steps necessary to enforce its security and realize on same.

35. RBC considers it reasonable and prudent for it to begin enforcement of its security in an effort to recover the outstanding indebtedness.

36. msi Spergel inc. has consented to act as receiver over the Company.

The Collateral Charges

37. The Collateral Charges are payable on demand. Standard Charge Terms 20015 are included in the Collateral Charges. RBC pleads that it is entitled to possession of the Woodbury Property upon default and further entitled to sell the Woodbury Property.

38. RBC pleads and relies upon the terms of the Collateral Charges and Standard Charge Terms 20015.

39. RBC pleads that the Collateral Charges are in default and default still continues as Robert has failed to repay the indebtedness and has consented to judgment

- 12 -

under the Guarantee. RBC is entitled to possession of the Woodbury Property upon default.

40. RBC therefore pleads that the defendants are liable to it for the relief claimed herein.

April 24, 2023

MINDEN GROSS LLP
Barristers and Solicitors
2200 – 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO# 42081V)
rmoses@mindengross.com
Tel: 416-369-4115

Lawyers for the Plaintiff

#56962304128221 v1

B E T W E E N

ROYAL BANK OF CANADA
Plaintiff

-and-

VELLEND-TECH INC., et al
Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

STATEMENT OF CLAIM

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO# 42081V)
rmoses@mindingross.com
Tel: 416-369-4115

Lawyers for the Plaintiff

(File No. 4128221)

Court File No. CV-23-00698375-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

VELLEND-TECH INC., ROBERT D. VELLEND AND MARTIN A. VELLEND

Defendants

CONSENT

msi Spergel Inc. hereby agrees to act as Receiver in the above-noted matter.

DATED at **TORONTO**, Ontario this 24th day of April, 2023.

msi Spergel Inc.

Per: 

Name: Mukul Manchanda, CPA, CIRP, LIT

Title: Principal

BETWEEN

ROYAL BANK OF CANADA
Plaintiff

-and-

VELLEND-TECH INC., et al
Defendants
Court File No. CV-23-00698375-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

CONSENT

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO# 42081V)
rmoses@mindengross.com
Tel: 416-369-4115

Lawyers for the Plaintiff

(File No. 4128221)

Court File No. CV-23-00698375-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) DAY, THE
JUSTICE)
) DAY OF , 2023

B E T W E E N :

ROYAL BANK OF CANADA

Plaintiff

- and -

VELLEND-TECH INC., ROBERT D. VELLEND and MARTIN A. VELLEND

Defendants

**ORDER
(appointing Receiver)**

THIS MOTION made by the Plaintiff 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. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Vellend-Tech Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Foster sworn April 24, 2023 and the Exhibits thereto and on hearing the submissions of counsel for the Plaintiff, no one appearing for the Debtor although duly served as appears from the affidavits of service of Christine Cavarzan sworn April •, 2023 and on reading the consent of msi Spergel inc. to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion 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, msi Spergel inc. 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 \$10,000.00, provided that the aggregate consideration for all such transactions does not exceed \$50,000.00; 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; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, 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 is hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*,

the Ontario *Environmental Protection Act*, the Ontario *Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including, but not limited to, any illness or bodily harm resulting from a party or parties contracting COVID-19, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, 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 \$100,000.00 (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>.

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's 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.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties Vellend-Tech Inc. 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 ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the _____ day of _____, 20__.

msi Spergel inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

BETWEEN

ROYAL BANK OF CANADA
Plaintiff

-and-

VELLEND-TECH INC., et al.

Defendants

Court File No. CV-23-00698375-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

MOTION RECORD

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Rachel Moses (LSO# 42081V)
rmoses@mindengross.com
Tel: 416-369-4115

Lawyers for the Plaintiff, Royal Bank of Canada

(File No. 4128221)