

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

and

RJ PACKAGING INCORPORATED operating as CUSTOM FOOD PACKAGING,
SMIT RAMESH JANI, MITALI SMIT JANI and JAYANTKUMAR NAGJIBHAI
PANCHASARA

Respondents

APPLICATION UNDER subsection 243(1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c B-3, as amended, and section 101 of the *Courts of Justice Act*,
R.S.O. 1990, c. C.43, as amended

APPLICATION RECORD

(Application for Order appointing Receiver

Hearing Date: August 3, 2021 at 11:00 a.m., Via Zoom video conference)

July 9, 2021

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 Applicant

TO: SERVICE LIST

INDEX

TAB	DOCUMENT	PAGE NOS.
1.	Notice of Application issued July 9, 2021	1 – 8
2.	Affidavit of W. Craig McInnes sworn July 9, 2021 and the Exhibits attached thereto	9 – 23
A	Exhibit “A” – Federal Corporate Information for RJ Packaging Incorporated retrieved on January 21, 2021; Ontario Corporate Profile Report retrieved on January 18, 2021; Business Names Reports for RJ Packaging Incorporated and Custom Food Packaging, retrieved on March 3, 2021	24 – 33
B	Exhibit “B” – Credit Agreement dated December 14, 2018; Master Lease Agreement dated January 21, 2019; Commitment to Lease dated January 21, 2019; and Interim Funding Agreement dated January 21, 2019	34 – 58
C	Exhibit “C” – General Security Agreement dated December 21, 2018	59 – 71
D	Exhibit “D” – Joint and Several Guarantee and Postponement of Claim dated December 21, 2018	72 – 76
E	Exhibit “E” – PPSA search results for RJ Packaging Incorporated	77 – 87
F	Exhibit “F” – PPSA search results for Custom Food Packaging	88 – 89
G	Exhibit “G” – E-Mail communications between Smit Jani and Munish Shokeen (RBC) dated October 1, 2020 and November 11, 2020	90 – 92
H	Exhibit “H” – Transition Letter dated November 22, 2020; E-Mail acknowledgement of receipt	93 – 98
I	Exhibit “I” – E-Mail communications between Smit Jani and Craig McInnes (RBC) between December 17 and December 30, 2020	99 – 102
J	Exhibit “J” – E-Mail from Smit Jani to Craig McInnes (RBC) dated January 24, 2021	103 – 104
K	Exhibit “K” – Demand Letters dated March 4, 2021	105 – 115

TAB	DOCUMENT	PAGE NOS.
L	Exhibit “L” – Demand Letters dated March 17, 2021	116 – 126
M	Exhibit “M” – E-Mail communications between Rachel Moses (Minden Gross LLP) and Milad Haghani (Haghani Law Office)	127 – 231
N	Exhibit “N” – E-Mail communications between Rachel Moses (Minden Gross LLP) and Milad Haghani (Haghani Law Office) dated May 10, 2021 and June 14, 2021	232 – 241
O	Exhibit “O” – Consent of msi Spergel inc. to act as Receiver	242 – 244
3	Draft Order	245 - 261

ZOOM DETAILS

Topic: Royal Bank of Canada v. RJ Packaging Incorporated, et al

Time: Aug 3, 2021 11:00 AM Eastern Time (US and Canada)

Join Zoom Meeting

<https://mindengross.zoom.us/j/94682487740?pwd=SEwwdjBLV1Y3TXRLa0NWN3BEUzk5Zz09>

Meeting ID: 946 8248 7740

Passcode: 344611

One tap mobile

+16699006833,,94682487740#,,,,*344611# US (San Jose)

+19292056099,,94682487740#,,,,*344611# US (New York)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 929 205 6099 US (New York)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

833 548 0276 US Toll-free

833 548 0282 US Toll-free

877 853 5247 US Toll-free

888 788 0099 US Toll-free

Meeting ID: 946 8248 7740

Passcode: 344611

Find your local number: <https://mindengross.zoom.us/j/ab5PdPWCJI>

SERVICE LIST

(re: motion to appoint Receiver, returnable on August 3, 2021)

NO.	NAME	METHOD OF SERVICE
1.	RJ PACKAGING INCORPORATED operating as CUSTOM FOOD PACKAGING 1A – 45 Basaltic Road Concord ON L4K 1G5	PERSONAL SERVICE
2.	SMIT RAMESH JANI 3357 Colonial Drive Mississauga ON L5L 5A7	PERSONAL SERVICE
3.	MITALI SMIT JANI 1A – 45 Basaltic Road Concord ON L4K 1G5	PERSONAL SERVICE
4.	JAYANTKUMAR NAGJIBHAI PANCHASARA 1603 – 2405 Finch Avenue West Toronto ON M9M 2X2	PERSONAL SERVICE
5.	MSI SPERGEL INC. 505 Consumers Road, Suite 200, Toronto ON M2J 4V8 Mukul Manchanda Tel: (416) 498-4314 E-mail: mmanchanda@spergel.ca Proposed Receiver	BY E-MAIL TO: mmanchanda@spergel.ca
6.	HARRISON PENSA LLP 450 Talbot Street London ON N6A 5J6 Melinda Vine Tel: (519) 661-6705 E-Mail: mvine@harrisonpensa.com Lawyers for msi Spergel inc.	BY E-MAIL TO: mvine@harrisonpensa.com

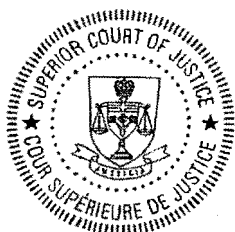
NO.	NAME	METHOD OF SERVICE
7.	HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO as represented by Ministry of Finance Legal Services Branch 77 Bay Street, 11th Floor Toronto ON M5G 2C8 Attention: Anthony R. Golding Senior Counsel, Ministry of Finance Tel: (416) 938-5069 E-Mail: anthony.golding@ontario.ca	BY E-MAIL TO: anthony.golding@ontario.ca
8.	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 Attention: Diane Winters Tel: (416) 952-8563 E-Mail: diane.winters@justice.gc.ca	BY E-MAIL TO: diane.winters@justice.gc.ca
9.	INSOLVENCY UNIT Province of Ontario E-Mail: insolvency.unit@ontario.ca	BY E-MAIL TO: insolvency.unit@ontario.ca
10.	VW CREDIT CANADA INC. 4865 Marc-Blain Street, Suite 300 Montreal QC H4R 3B2 Attention: Steven Pramuka E-Mail: steven.pramuka@vw.com	BY E-MAIL TO: steven.pramuka@vw.com

TAB 1

CV-21-00665286-D0CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:



ROYAL BANK OF CANADA

Applicant

and

**RJ PACKAGING INCORPORATED operating as CUSTOM FOOD
PACKAGING, SMIT RAMESH JANI, MITALI SMIT JANI and
JAYANTKUMAR NAGJIBHAI PANCHASARA**

Respondents

APPLICATION UNDER subsection 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c B-3, as amended, and section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended

NOTICE OF APPLICATION

TO THE RESPONDENT

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

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

- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

at the following location:

-2-

330 University Avenue, 9th Floor, Toronto ON M5G 1R7

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

on Tuesday, August 3, 2021, at 11:00 a.m., before a judge presiding over the Commercial List *(or on a day to be set by the registrar)*.

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

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

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

Date 9 July 2021

Issued by

Maggie Sawka

Digitally signed by Maggie Sawka
DN: cn=Maggie Sawka, o=Ministry of the
Attorney General, ou=Superior Court of Justice,
email=maggie.sawka@ontario.ca, c=CA
Date: 2021.07.09 09:27:49 -04'00'

Local Registrar

Address of Superior Court of Justice
court office: 330 University Avenue, 9th Floor
Toronto ON M5G 1R7

TO: **RJ PACKAGING INCORPORATED**
operating as CUSTOM FOOD PACKAGING
1A – 45 Basaltic Road
Concord ON L4K 1G5

AND TO: **SMIT RAMESH JANI**
3357 Colonial Drive
Mississauga ON L5L 5A7

-3-

AND TO: **MITALI SMIT JANI**
1A – 45 Basaltic Road
Concord ON L4K 1G5

AND TO: **JAYANTKUMAR NAGJIBHAI PANCHASARA**
1603 – 2405 Finch Avenue West
Toronto ON M9M 2X2

AND TO: **SERVICE LIST**

-4-

APPLICATION

1. The applicant, Royal Bank of Canada ("**RBC**"), makes application for:
 - (a) if necessary, an order abridging the time for service and filing of this notice of application and the application record, validating service effected to date, and an order dispensing with service thereof on any party other than the persons served;
 - (b) an order appointing msi Spergel inc. as receiver (in such capacities, the "**Receiver**"), without security of all of the assets, undertakings, and properties of the respondent, RJ Packaging Incorporated operating as Custom Food Packaging (the "**Debtor**"), and all other property, assets and undertakings relating thereto;
 - (c) judgment against Smit Ramesh Jani, Mitali Smit Jani, and Jayantkumar Nagjibhai Panchasara (collectively the "**Guarantors**") pursuant to their guarantee and postponement of claim for the debts, liabilities and obligations owing by the Debtor to RBC; and
 - (d) such further and other relief as to this Honourable Court may seem just.
2. The grounds for the application are:
 - (a) The Debtor is directly indebted to RBC in connection with certain credit facilities. RBC is a secured creditor of the Debtor.

-5-

- (b) Smit Ramesh Jani, Mitali Smit Jani, and Jayantkumar Nagjibhai Panchasara guaranteed the indebtedness of the Debtor to RBC.
- (c) The Debtor came under management of RBC's Special Loans and Advisory Group in November of 2020.
- (d) The Debtor made several promises to repay the indebtedness owing to RBC by October 28, 2020 and thereafter, by November 10, 2020, December 10, 2020 and by April 2021.
- (e) On March 4, 2021 and March 17, 2021 respectively, RBC made formal written demand for payment on the Debtor and issued notices of intention to enforce security pursuant to section 244(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c B-3, as amended ("**BIA**").
- (f) RBC also made demand on the Guarantors.
- (g) The demands have expired and the indebtedness remains outstanding.
- (h) Among other things, the Debtor has breached the financial reporting requirements under the Credit Agreement by failing to provide its annual notice to reader financial statements, within 90 days of each fiscal year end for 2019 and for 2020 – there has been no financial reporting for fiscal 2020.
- (i) The Debtor has not been able to present a repayment proposal satisfactory to RBC.

-6-

- (j) RBC has, at all times, acted in good faith towards the Debtor and has been understanding and patient in its arrangements with the Debtor.
- (k) It is reasonable and prudent for RBC to enforce its security in an effort to recover the indebtedness and it is within RBC's right to do so.
- (l) In the circumstances, RBC wishes to take any and all steps necessary to preserve and protect the security and realize on same.
- (m) The appointment of a receiver is provided for in the security agreement provided by the Debtor to RBC.
- (n) RBC proposes that msi Spergel inc. be appointed as receiver of the Debtor.
- (o) Other grounds as set out in the Affidavit of W. Craig McInnes.
- (p) The terms of the lending and security agreement.
- (q) The terms of the guarantee and postponement of claim.
- (r) Subsection 243(1) of the BIA.
- (s) Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.
- (t) Rules 1.04, 2.03, 3.02 and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.
- (u) Such further and other grounds as the lawyers may advise and this Honourable Court may permit.

-7-

3. The following documentary evidence will be used at the hearing of the application:
- (a) Affidavit of W. Craig McInnes and the exhibits thereto.
 - (b) Consent of MSI Spergel Inc.
 - (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

⁹
July 8, 2021

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 Applicant

B E T W E E N

ROYAL BANK OF CANADA
Applicant

-and-

RJ PACKAGING INCORPORATED, et al.
Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF APPLICATION

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 Applicant

TAB 2

Court File No. CV-21-00665286-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

and

**RJ PACKAGING INCORPORATED operating as CUSTOM FOOD
PACKAGING, SMIT RAMESH JANI, MITALI SMIT JANI and
JAYANTKUMAR NAGJIBHAI PANCHASARA**

Respondents

**AFFIDAVIT OF W. CRAIG McINNES
(sworn July 9, 2021)**

I, W. CRAIG McINNES, of the City of Mississauga, in the Regional Municipality of Peel, **MAKE OATH AND SAY:**

1. I am a Manager in the Special Loans & Advisory Services Group ("**Special Loans Group**") of Royal Bank of Canada ("**RBC**").
2. RBC is a secured creditor of RJ Packaging Incorporated operating as Custom Food Packaging (the "**Debtor**"). I am responsible for management of the Debtor's accounts maintained with RBC as well as the credit facilities advanced to the Debtor. Accordingly, I have personal knowledge of the matters set out below. Where I

- 2 -

have relied on information from others, I state the source of such information and verily believe it to be true.

3. This Affidavit is sworn in support of an application for a receivership order substantially in the form appended as Tab 3 of RBC's Application Record. Specifically, RBC is seeking the appointment of msi Spergel inc. ("**Spergel**") as receiver of the Debtor.

THE DEBTOR

4. RJ Packaging is a Federal Corporation with a registered office located at 1A – 45 Basaltic Road, Concord, Ontario. A copy of RJ Packaging's federal corporate information retrieved on January 21, 2021, the Ontario corporate profile report retrieved on January 18, 2021, and business names reports for RJ Packaging and Custom Food Packaging, retrieved on March 3, 2021, are attached collectively as **Exhibit "A"**.

5. The Debtor's website indicates that it is "a sales and service master distributor of a complete line of custom and standard pressure sensitive labeling equipment and systems."

6. Smit Ramesh Jani ("**Smit**") and Mitali Smit Jani ("**Mitali**") are directors of the Debtor.

7. Smit, Mitali, and Jayantkumar Nagjibhai Panchasara (collectively the "**Guarantors**") guaranteed the indebtedness of the Debtor owing to RBC.

RBC CREDIT AGREEMENT AND SECURITY

8. The Debtor is directly indebted to RBC in connection with certain credit facilities made available by RBC to the Debtor pursuant to a commitment letter dated December 14, 2018 and accepted by the Debtor on December 21, 2018 (the "**Credit Agreement**").

9. The credit facilities made available to the Debtor include: i) a \$150,000.00 revolving demand facility; ii) a Visa business facility to a maximum of \$50,000.00; and iii) a lease facility. A copy of the Credit Agreement together with the Master Lease Agreement dated January 21, 2019, the Commitment to Lease dated January 21, 2019 and the Interim Funding Agreement dated January 21, 2019 are collectively attached as **Exhibit "B"**.

10. Under the Credit Agreement, the revolving demand facility (also known as the operating facility) is repayable on demand. An event of default under the Master Lease Agreement (see section 18.1(g)) occurs if the Debtor fails to perform its obligations under the Credit Agreement, i.e., failure to pay the operating facility upon demand.

11. Under the Credit Agreement, the Debtor is required to provide RBC with certain financial reporting, including but not limited to: i) annual notice to reader financial statements, within 90 days of each fiscal year end (the Debtor's year end is December 31); ii) annual aged list of accounts receivable, aged list of accounts payable and status of inventory, within 90 days of each fiscal year end; iii) annual personal

statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every fiscal year of the Debtor, commencing with the fiscal year ending in 2020; and iv) such other financial and operating statements and reports as and when RBC may reasonably require.

12. As security for the credit facilities, the Debtor provided, among other things, the following to RBC:

- (a) a general security agreement on the Bank's Standard Form 924 signed by the Debtor on December 21, 2018 (the "**GSA**"), registration in respect of which was duly made pursuant to the Personal Property Security Act (Ontario) (the "**PPSA**"). Section 13 of the GSA provides RBC with the remedy to appoint a receiver in the event of default. A copy of the GSA is attached as **Exhibit "C"**; and
- (b) a written joint and several guarantee and postponement of claim on the Bank's Standard Form 812 dated December 21, 2018 signed by the Guarantors and which is limited to the principal sum of \$550,000.00 (the "**Guarantee**"). A copy of the Guarantee is attached as **Exhibit "D"**.

13. The Guarantee provides that:

- (a) the Guarantors guarantee payment of any and all present and future debts and liabilities owing to RBC by the Debtor;

- 5 -

- (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 Debtor to RBC;
- (c) the Guarantors' liability to make payment to RBC arises immediately upon receiving a written demand for payment from RBC;
- (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 Debtor, or other persons or security, before being entitled to payment from the Guarantors.

THE DEBTOR'S SECURED CREDITORS

14. A copy of the certified PPSA search results for the Debtor, with currency to June 20, 2021, is attached as **Exhibit "E"**.

15. The PPSA search results in connection with the Debtor indicate that other than RBC, there is one registration in favour of VW Credit Canada Inc.

16. A copy of the certified PPSA search results for Custom Food Packaging, with currency to June 21, 2021, is attached as **Exhibit “F”**.

17. The PPSA search results show that, there are no registrations against Custom Food Packaging.

DEFAULT AND DEMAND

18. As a result of the Debtor breaching its reporting requirements by failing to provide to RBC its annual notice to reader financial statements, within 90 days of its fiscal year end for 2019,¹ which were due on March 31, 2020, and other concerns of RBC relating to the financial condition of the Debtor, the accounts of the Debtor came under management of the Special Loans Group in or about November 2020.

19. By email sent on October 1, 2020, Smit on behalf of the Debtor advised RBC Account Manager, Munish Shokeen, that the Debtor “will be able to close all loans by or before 28th October 2020.” Further representations were made by Smit on behalf of the Debtor that the credit facilities would be repaid on November 10, 2020, then delayed to December 10, 2020. A copy of the October 1, 2020 email and email forwarded by Smit from Ketan Raghani sent on November 11, 2020 are attached as **Exhibit “G”**.

¹ For fiscal 2019, the Debtor provided internal balance statement and income statement, not notice to reader statement. The Debtor has failed to provide the financial reporting for fiscal 2020.

- 7 -

20. A transition letter dated November 22, 2020, was sent to the Debtor advising that the Special Loans Group was now managing the accounts of the Debtor. Smit on behalf of the Debtor acknowledged receipt of the transition letter on November 23, 2020. A copy of the transition letter and email acknowledgment are attached as **Exhibit "H"**.

21. The Debtor did not repay the indebtedness owing to RBC by October 28, 2020 or November 10, 2020 or December 10, 2020.

22. I sent an email to Smit on December 17, 2020, requesting that he contact me to discuss the "account and the status of the deposit and incoming funds" to repay the indebtedness owing to RBC. We exchanged further emails and on December 30, 2020, Smit advised: "I am going to trf it myself before I come back. Money from my dads [sic] trust and Inheritance along with funds from Blackrock". A copy of these December 2020 email exchanges are attached as **Exhibit "I"**.

23. As the indebtedness remained outstanding, I sent follow up emails to Smit on January 8, 2021 and January 14, 2021 in connection with the repayment of the indebtedness (and the operation of the Debtor's accounts). I received an "Out of Office" email from Smit on January 14, 2021 indicating that he would be back in the office on January 18, 2021.

24. By email sent on January 24, 2021, Smit on behalf of the Debtor advised that all indebtedness would be repaid in April 2021:

- 8 -

“... ”

In terms of money, my inheritance and trust funds which are currently in India; I will be allowed to move this to Canadian account after year end in India which is in March. We should be in possession of more than enough funds here to repay bank loans and credit lines.

In the meantime I will send you monthly data on our progress for February and March. Expecting to pay off all dues in April. ... [bold and underline added]”

25. Despite Smit’s email, the Debtor did not provide “monthly data” on its “progress for February and March”. A copy of Smit’s January 24, 2021 email is attached as **Exhibit “J”**.

26. RBC made formal written demand on the Debtor for payment of the operating facility and the Visa facility by letters dated March 4, 2021 (the “**First Demand Letter**”). A notice of its intention to enforce security (the “**BIA Notice**”) pursuant to section 244(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c B-3, as amended accompanied the First Demand Letter sent to the Debtor. Formal written demand was also made on the Guarantors.

27. Copies of the First Demand Letter, the BIA Notice and the demand letters to the Guarantors dated March 4, 2021 are attached as **Exhibit “K”**.

28. The Debtor’s failure to pay the indebtedness owing under the First Demand Letter constituted an event of default under the Master Lease Agreement, entitling RBC to make demand for all amounts owing under the lease facility.

29. Accordingly, RBC made formal written demand on the Debtor for payment of the lease facility by letter dated March 17, 2021 (the “**Second Demand Letter**”). A BIA Notice accompanied the Second Demand Letter. Formal written demand in connection with the lease facility was also made on the Guarantors.

30. Copies of the Second Demand Letter, the BIA Notice and the second demand letters to the Guarantors dated March 17, 2021 are attached as **Exhibit “L”**.

FORBEARANCE

31. In response to the First Demand Letter and the BIA Notice, the Debtor and Smit (and later Mitali and Jayantkumar) retained legal counsel, Milad Haghani of Milad Haghani Professional Corporation operating as Haghani Law Office.

32. Between March 8, 2021 and May 10, 2021, RBC and the Debtor tried, without success, to enter into a forbearance agreement on terms first proposed by the Bank to the Debtor on March 11, 2021. By email sent on May 6, 2021, Rachel Moses, a partner with Minden Gross LLP, summarized to Mr. Haghani their communications between March 2020 and May 2020 in connection with the Debtor’s request that RBC forbear from enforcing its rights under the Credit Agreement and Security:

“Hello Milad,

The Bank is prepared to extend the sign-back deadline which expired on May 3, 2021 to 4 p.m. on May 10, 2021. There will be no further extensions. The Bank has been very accommodating to your clients since at least the fall of 2020 but the status quo cannot continue. The sign back deadline is firm. In understanding the Bank’s position, we remind you of the following:

- 10 -

- Your clients have been promising to repay all indebtedness to the Bank since the fall of 2000 [2020];
- After providing months of accommodations, the Bank made formal demand on March 4, 2021;
- You contacted me on March 8, 2021 in respect of the demands and we subsequently discussed a forbearance by the Bank;
- On March 11, 2021 (almost two months ago), I sent you the below email which detailed the key terms of the proposed forbearance agreement, You have known since March 11, 2021 these key terms and your push back has been only in respect of the forbearance period.;
- March 17, 2021 RBC made demand on the lease facility as the indebtedness was not repaid in connection with the March 4, 2021 demands;
- On April 8, 2021 (almost one month ago), I provided you with the forbearance agreement which included all of the terms referred to in my email of March 11, 2021 with a forbearance period to May 31, 2021 and a sign-back deadline of April 21, 2021. You requested a sign-back of April 22, 2021 and a longer forbearance period to August 31, 2021;
- On April 14, 2021, I advised you that RBC will agree to extend the forbearance period to June 30, 2021 and a sign-back deadline of April 22, 2021. I provided you with the revised forbearance agreement which only differed from the version sent on April 8 in respect of the forbearance period and the sign-back deadline;
- On April 15, 2021 you asked for a forbearance period to August 31, 2021;
- On April 28, 2021, I provided you with a revised forbearance agreement which only differed from the last version by changing the forbearance period from "June 30, 2021" to "August 31, 2021" and the sign-back date extended to May 3, 2021.

Attached is the revised and final forbearance agreement (clean and blackline) which has the sign-back deadline extended to 4 p.m. on May 10, 2021. The Bank continues to reserve all of its rights and remedies against your clients."

33. Copies of these relevant communications are attached as **Exhibit "M"**.

INDEBTEDNESS REMAINS OUTSTANDING

34. The sign-back deadline in the proposed forbearance agreement expired and the Debtor and Guarantors failed to execute the forbearance agreement which would have, among other things:

- provided the Debtor with a forbearance period to August 31, 2021;
- required the Debtor to reduce the Indebtedness (as defined in the forbearance agreement made as of April 6, 2021) by monthly payments of \$10,000 on the 5th day of each month during the forbearance period;
- required the Debtor to consent to the appointment of a receiver and the Guarantors to consent to judgment (a requirement that was made known to the Debtor and Guarantors in March 2021 and which their lawyer advised RBC by email sent on March 9, 2021 that his clients were agreeable to, provided the forbearance period was 6 months);
- required the Debtor to provide evidence satisfactory to RBC that the Priority Payables (as defined in the Credit Agreement) are being paid and are current at the time of repayment of the Indebtedness (the Debtor has not provided any financial reporting to RBC since October 2020 when it provided its 2019 balance statement and income statement. RBC has no information on the status of Priority Payables (as defined in the Credit Agreement));

- 12 -

- required the Debtor to ensure that all monies generated by the Debtor in the course of its business operations are deposited into the RBC Current Account (as defined in the forbearance agreement) or any other account maintained by the Debtor at RBC; and
- required the Debtor to honour all financial reporting covenants contained in the Credit Agreement (in addition to the other defaults, the Debtor has also now failed to provide its financial reporting for its fiscal year end 2020 as required under the Credit Agreement).

35. By email sent on May 10, 2021, the Debtor through its lawyer advised that it had applied to CIBC for refinancing and expected a response from CIBC during the week of May 10, 2020. More than one month later, by email sent on June 14, 2021, the Debtor through its lawyer advised that CIBC had declined the Debtor's request for financing. I am advised by Ms. Moses and believe that no further communications have been received from the Debtor or its lawyers in connection with repaying the indebtedness owing to RBC. Copies of the May 10, 2021 email and the June 14, 2021 email from Haghani Law Office are attached as **Exhibit "N"**.

36. Despite the communications and discussions referred to herein, the Debtor has not been able to present a repayment proposal satisfactory to RBC.

37. RBC is concerned about its security position as the indebtedness remains outstanding, promises made in October 2020 to repay the indebtedness have not been honoured despite many extensions (i.e., October 2020 to April 2021), and there has

been no meaningful financial reporting since the Debtor provided its 2019 balance sheet and 2019 income statement to RBC in October 2020 (which reporting is not sufficient under the Credit Agreement).

38. As at July 8, 2021, the indebtedness owing to RBC is:

- Operating Facility \$152,039.55
- Leases \$367,950.23
- Visa \$52,343.60
- Overdraft \$421.41
- Professional Fees \$18,083.55 (paid by RBC and current work in progress)

APPOINTMENT OF RECEIVER

39. RBC has provided the Debtor with more than sufficient time to repay the indebtedness. The Borrower has been unable to fulfil its obligations to RBC.

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

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

42. The appointment of a receiver is provided for in the Security.

- 14 -


43. RBC proposes that Spergel be appointed as receiver of the Borrower.

44. Spergel has consented to act as receiver should the Court so appoint it.


A copy of Spergel's consent is attached as **Exhibit "O"**.

45. This affidavit is made in support of the within motion, and for no other or improper purpose whatsoever.

SWORN by W. Craig McInnes of the City of Mississauga, in the Regional Municipality of Peel, before me at the City of Toronto, in the Province of Ontario, on July 9, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.


Rachel Moses / Jul 9, 2021 11:25 EDT

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



W. CRAIG McINNES

BETWEEN

ROYAL BANK OF CANADA

Applicant

-and-

RJ PACKAGING INCORPORATED operating as CUSTOM
FOOD PACKAGING, et al.

Respondents

Court File No. CV-21-00665286-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

AFFIDAVIT OF W. CRAIG McINNES


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 Applicant, Royal Bank of Canada

(File No. 4122089)

This is **Exhibit "A"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.


Rachel Moses (Jul 9, 2021 11:31 EDT)
A Commissioner for Taking Affidavits
Rachel Moses / LSO# 42081V

**Government
of Canada****Gouvernement
du Canada**

[Canada.ca](#) → [Innovation, Science and Economic Development Canada](#) → [Corporations Canada](#)
→ [Search for a Federal Corporation](#)

Federal Corporation Information - 1010571-6

[Order copies of corporate documents](#)

Note

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information](#)).

Corporation Number

1010571-6

Business Number (BN)

728276924RC0001

Corporate Name

RJ Packaging Incorporated

Status

Active

Governing Legislation

Canada Business Corporations Act - 2017-02-14

[Order a Corporate Profile](#) [[View PDF Sample](#)] [[View HTML Sample](#)].

[PDF Readers](#)

Registered Office Address

1A-45 Basaltic Rd
Concord ON L4K 1G5
Canada

Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors

Minimum 1

Maximum 10

Smit Jani
38-833 Scollard Court
Mississauga ON L5V 1M7
Canada

Mitali Jani
833 Scollard Court
Unit 38
Mississauga ON L5V 1M7
Canada

Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings

Anniversary Date (MM-DD)

02-14

Date of Last Annual Meeting

2020-04-06

Annual Filing Period (MM-DD)

02-14 to 04-15

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2021 - Not due

2020 - Filed

2019 - Filed

Corporate History

Corporate Name History

2017-02-14 to Present

RJ Packaging Incorporated

Certificates and Filings

Certificate of Incorporation

2017-02-14

Order copies of corporate documents

Start New Search

[Return to Search Results](#)

Date Modified:

2020-12-08

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1983658	RJ PACKAGING INCORPORATED	2017/02/14
		Jurisdiction
		CANADA
Corporation Type	Corporation Status	Former Jurisdiction
FEDERAL CORP WITH SHARE	REFER TO JURISDICTION	NOT APPLICABLE
Registered or Head Office Address	Date Amalgamated	Amalgamation Ind.
833 SCOLLARD COURT	NOT APPLICABLE	NOT APPLICABLE
Suite # 38 MISSISSAUGA ONTARIO CANADA L5V 2B4	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Principal Place of Business in Ontario	Revival Date	Continuation Date
833 SCOLLARD COURT	NOT APPLICABLE	NOT APPLICABLE
Suite # 38 MISSISSAUGA ONTARIO CANADA L5V 2B4	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	2017/02/14	NOT APPLICABLE
Activity Classification		
NOT AVAILABLE		

Request ID: 025556012
Transaction ID: 77861240
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/28
Time Report Produced: 13:25:07
Page: 2

29

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1983658

RJ PACKAGING INCORPORATED

Corporate Name History

REFER TO JURISDICTION

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

NO

Administrator:
Name (Individual / Corporation)

Address

MITALI

833 SCOLLARD COURT

JANI

Suite # 38
MISSISSAUGA
ONTARIO
CANADA L5V 2B4

Date Began

First Director

2017/02/14

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER/MANAGER IN ONT.

NOT APPLICABLE

Request ID: 025556012
Transaction ID: 77861240
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/01/30
Time Report Produced: 13:25:07
Page: 3

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1983658

RJ PACKAGING INCORPORATED

Last Document Recorded

Act/Code	Description	Form	Date
CIA	INITIAL RETURN	2	2017/10/19

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

Request ID: 025783409
Transaction ID: 78399326
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2021/03/31
Time Report Produced: 15:38:31
Page: 1

LIST OF CURRENT BUSINESS NAMES REGISTERED BY A CORPORATION

Ontario Corporation Number

1983658

CORPORATION NAME

RJ PACKAGING INCORPORATED

REGISTRATION DATE	BUSINESS NAME	EXPIRY DATE	BUSINESS ID NUMBER
2017/10/31	CUSTOM FOOD PACKAGING	2022/10/30	271166613

THE REPORT SETS OUT ALL BUSINESS NAMES REGISTERED OR RENEWED BY THE CORPORATION IN THE PAST 5 YEARS AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. IF MORE DETAILED INFORMATION IS REQUIRED, YOU MAY REQUEST A SEARCH AGAINST INDIVIDUAL NAMES SHOWN ON THIS REPORT.

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

BUSINESS NAMES REPORT

Business name registered under the <i>Business Names Act</i>	Business Identification Number
CUSTOM FOOD PACKAGING	271166613
	Business Type
	BUSINESS NAME - CORPORATION
Mailing Address	Business Address in Ontario
833 SCOLLARD COURT	6760 DAVAND DR
No. 38 MISSISSAUGA ONTARIO CANADA, L5V 2B4	No. 7 MISSISSAUGA ONTARIO CANADA, L5T 2K9
Activity being carried out	
PACKAGING MATERIALS	
Registration Date	Expiry Date
2017/10/31	2022/10/30
Renewal Date	Amendment Date(s)
NOT APPLICABLE	NOT APPLICABLE
Last Document Filed	Cancellation Date
NEW REGISTRATION	NOT APPLICABLE
Last Document Filed Date	
2017/10/31	

BUSINESS NAMES REPORT

Business name registered under the <i>Business Names Act</i>	Business Identification Number
CUSTOM FOOD PACKAGING	271166613
	Business Type
	BUSINESS NAME - CORPORATION

Corporation Name	Corp. Registered/Head Office Address
RJ PACKAGING INCORPORATED	833 SCOLLARD COURT
	No. 38
	MISSISSAUGA
	ONTARIO
	CANADA, L5V 2B4

Corporate Number	Jurisdiction of Corporation
1983658	CANADA
	Corporation Status
	REFER TO JURISDICTION

Person Authorizing the Registration
RJ PACKAGING INCORPORATED

This Report sets out the most recent information registered on or after April 1, 1994 and recorded in the Ontario Business Information System as of the last business day.

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

This is **Exhibit "B"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.



Rachel Moses (Jul 9, 2021 11:31 EDT)
A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V

ROYAL BANK OF CANADA CREDIT AGREEMENT

DATE: December 14, 2018

BORROWER: RJ PACKAGING INCORPORATED	SRF: 333608982
ADDRESS (Street, City/Town, Province, Postal Code) Unit 38 833 Scollard Court Mississauga, ON L5V2B4	

Royal Bank of Canada (the "**Bank**") hereby confirms to the undersigned (the "**Borrower**") the following credit facilities (the "**Credit Facilities**"), banking services and other products subject to the terms and conditions set forth below and in the standard terms provided herewith (collectively the "**Agreement**"). The Credit Facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

CREDIT FACILITIES

Facility # 1 Revolving demand facility in the amount of \$150,000.00, available by way of RBP based loans.

Minimum retained balance \$0.00

Revolved by the Bank in increments of \$5,000.00

Interest rate: RBP + 1.29% per annum. Interest payable monthly, in arrears, on the same day each month as determined by the Bank.

Margined: Yes [] No [X]

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;
- b) All Leases outstanding at any time and from time to time.

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank, including without limitation any amounts outstanding under any Leases, (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 \$550,000.00 signed by Smit Jani, Mitali Smit Jani and Jayantkumar Panchasara;
- c) Postponement and assignment of claim on the Bank's form 918 signed by Smit Jani;
- d) Postponement and assignment of claim on the Bank's form 918 signed by Mitali Smit Jani;
- e) Postponement and assignment of claim on the Bank's form 918 signed by Jayantkumar Panchasara.

FEES

Arrangement fee of \$500.00 payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Management fee of \$250.00 payable in arrears on the same day each month.

* Registered trademark of Royal Bank of Canada

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 on a consolidated basis for on a combined basis for the Borrower, to be measured at the end of each fiscal year:
 - i) Debt Service Coverage of not less than 1.25:1;
 - ii) A ratio of Total Liabilities to Tangible Net Worth of not greater than 2.5:1.

REPORTING REQUIREMENTS

The Borrower will provide 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 and status of inventory for the Borrower, within 90 days of each fiscal year end;
- c) Annual personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every fiscal year of the Borrower, commencing with the fiscal year ending in 2020;
- d) Such other financial and operating statements and reports as and when the Bank may reasonably require.

OTHER INFORMATION/REQUIREMENTS

In place of the definition of "**Debt Service Coverage**" contained in "Form 472 (01/2018) Royal Bank of Canada Credit Agreement - Standard Terms" forming part of this Agreement, for the purpose of this Agreement:

- the term "**Debt Service Coverage**" shall have the following meaning:

"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; and

- the term "**Cash Taxes**" shall have the following meaning:

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

- a) a copy of an executed lease agreement in respect, containing terms and conditions satisfactory to the Bank;
- b) No Lease will be made available to the Borrower unless it meets the leasing criteria established by the Bank and the Bank has received such documentation in respect thereof as may be required by the Bank.

⁶ Registered trademark of Royal Bank of Canada.

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.

STANDARD TERMS

The following standard terms have been provided to the Borrower:

- ☒ Form 472 (01/2018) Royal Bank of Canada Credit Agreement - Standard Terms
- ☐ Form 473 (10/2017) Royal Bank of Canada Credit Agreement - Margined Accounts Standard Terms
- ☒ Form 473A (10/2017) Royal Bank of Canada Credit Agreement – RBC Covarity Terms and Conditions
- ☐ Form 473B (10/2017) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms

* Registered trademark of Royal Bank of Canada.

ACCEPTANCE

This Agreement is open for acceptance until January 14, 2019 after which date it will be null and void, unless extended in writing by the Bank.

ROYAL BANK OF CANADA


Per: _____

Title: Vice President

RBC Contact: Munish Shokeen

/lc

CONFIRMATION & ACCEPTANCE

The Borrower (i) confirms that it has received a copy of the Royal Bank of Canada Credit Agreement Standard Terms, Form 472, as well as all other standard terms which are hereinabove shown as having been delivered to the Borrower, all of which are incorporated in and form an integral part of this Agreement; and (ii) accepts and agrees to be bound by the terms and conditions of this Agreement including all terms and conditions contained in such standard terms.

Confirmed, accepted and agreed this 21st day of December, 2018.

RJ PACKAGING INCORPORATED

Per: _____

Name: Smit RAMESH JANI

Title: ~~DIRECTOR~~ PRESIDENT

Per: _____

Name:

Title:

I/We have the authority to bind the Borrower

The following set of standard terms is deemed to be included in and forms an integral part of the Royal Bank of Canada Loan Agreement which refers to standard terms with this document version date, receipt of which has been duly acknowledged by the Borrower. Terms defined elsewhere in this Agreement and not otherwise defined below have the meaning given to such terms as so defined. 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:

GENERAL

This Agreement amends and restates, without novation, any existing credit or loan agreement between the Borrower and the Bank and any amendments thereto, (other than existing agreements for Other Facilities). Any credit facility existing under any such credit or loan agreement which is secured by security under section 427 of the *Bank Act* (Canada) (or any successor to such provision) is deemed to be continued and renewed, without novation, under the Credit Facilities. Any amount owing by the Borrower to the Bank under any such credit or loan agreement is deemed to be a Borrowing under this Agreement. This Agreement is in addition to, and not in replacement of, agreements for Other Facilities. Any and all Security that has been delivered to the Bank and which is included as Security in this Agreement shall remain in full force and effect, is expressly reserved by the Bank and shall apply in respect of all obligations of the Borrower under the Credit Facilities. The Bank expressly reserves all Security granted to the Bank by the Borrower to secure the Borrower's existing debt towards the Bank, should the execution of this Agreement effect a novation of said debt. Unless otherwise provided, all dollar amounts are in Canadian currency.

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, in form and substance, and executed and registered 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.

AVAILABILITY

Revolving facilities: The Borrower may borrow, convert, repay and reborrow up to the amount of each revolving facility (subject to Margin where applicable) provided each 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.

Non-revolving facilities: The Borrower may borrow up to the amount of each non-revolving facility provided these facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

LOAN REVOLVEMENT

If the Credit Facilities include a revolving demand facility by way of RBP and/or RBUSBR based loans, the Borrower shall establish a current account in Canadian currency, and, where RBUSBR based loans are made available, in US currency (each a "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 any 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, or RBUSBR Loans as applicable, under this facility;
- b) where the facility is indicated to be Bank revolved, if such position is a credit balance, 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, or RBUSBR Loans as applicable, under this facility;
- c) where this facility is indicated to be Borrower revolved, if such position is a credit balance, the Bank will apply repayments on such facility only if so advised and directed by the Borrower;
- d) Overdrafts and Bank revolved facilities by way of RBP Loans, or RBUSBR Loans, are not available on the same General Account.

REPAYMENT

- a) Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in or pursuant to this Agreement and shall be paid in the currency of the Borrowing. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day.
- b) Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment.
- c) 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 and LGs, if applicable, which are unexpired 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.
- d) Where any Borrowings are repayable by scheduled blended payments of principal and interest, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding with any balance of such Borrowings being due and payable as and when specified in this Agreement. 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.
- e) Borrowings repayable by way of scheduled payments of principal plus interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement.
- f) 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.
- g) Without limiting the right of the Bank to terminate or demand payment of or to cancel or restrict availability of any unused portion of any revolving demand tender loan facility, Borrowings by way of tender loans shall be repaid (i) if the tender is not accepted, by returning the relevant draft, or certified cheque, if applicable, to the Bank for cancellation or (ii) if the tender is accepted, by returning the relevant draft, or certified cheque, if applicable, once letters of guarantee or performance bonds are arranged. In the event such draft, or certified cheque, if applicable, is presented for payment, the amount of the draft, or certified cheque, if applicable, will be converted to an RBP based loan with an interest rate of RBP plus 5% per annum.
- h) 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.
- i) Except for Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the rate of RBP plus 5% per annum or, in the case of an amount in US currency if applicable, RBUSBR plus 5% per annum. 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, demand and judgement. For Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the same rate as the interest rate applicable to the principal amount of the Borrowings as specified in this Agreement.
- j) 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 under any term facility are by way of RBP and/or RBUSBR based loans, the Borrower may prepay such Borrowings in whole or in part at any time without fee or premium.

Where Borrowings under any term facility are at a fixed interest rate, provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay such Borrowings on a non-cumulative basis up to the percentage indicated in this Agreement of the outstanding principal balance on the day of prepayment, without fee or premium, once per year during the 12 month period from each anniversary date of the Borrowing. Any prepayment of the Borrowing prior to the maturity date, in whole or in part (in excess of any prepayment explicitly permitted in this Agreement), requires an amendment of the terms of this Agreement. An amendment to permit such a prepayment requires the Bank's prior written consent. The Bank may provide its consent to an amendment to permit a prepayment upon satisfaction by the Borrower of any conditions the Bank may reasonably impose, including, without limitation, the Borrower's agreement to pay the Prepayment Fee as defined below.

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

- a) the greater of:
 - (i) the amount equal to three (3) months' interest payable on the amount of the fixed rate term facility Borrowing being prepaid, calculated at the interest rate applicable to the fixed rate term facility Borrowing 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 fixed rate term facility Borrowing and the current cost of funds for a fixed rate term loan with a term substantially similar to the remaining term and an amortization period substantially similar to the remaining amortization period of the fixed rate term facility Borrowing, each as determined by the Bank on the date of such prepayment;
- plus:
- b) Foregone margin over the remainder of the term of the fixed rate term facility Borrowing. Foregone margin is defined as the present value of the difference between the Bank's original cost of funds for the fixed rate term facility Borrowing and the interest that would have been charged to the Borrower over the remaining term of the fixed rate term facility Borrowing;
- plus:
- c) a processing fee.

The Prepayment Fee shall also be payable by the Borrower in the event the Bank demands repayment of the outstanding fixed rate term facility Borrowing 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 Borrowings outstanding and will be secured by the Security described herein.

The prepayment of any Borrowings under a term facility 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.

CALCULATION AND PAYMENT OF INTEREST AND FEES

- a) The Borrower shall pay interest on each Overdraft, RBP and/or RBUSBR based loan monthly in arrears on the same day of each month as determined by 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.
- b) The Borrower shall pay interest on each fixed and/or variable rate term facility 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.
- c) The Borrower shall pay an 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.
- d) The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable. If applicable, fees for LGs issued in US currency shall be paid in US currency.
- e) 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, demand and judgement.
- f) 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.
- g) 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.

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 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 any 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 this Agreement;
- 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 business 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 person 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.

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 and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

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.

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.

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.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower 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.

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.

JOINT AND SEVERAL / SOLIDARY

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

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 or provision 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 structure or composition or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower in any 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.

LETTERS OF CREDIT AND/OR LETTERS OF GUARANTEE

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

- a) each LC and/or LG 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 and/or LG, the Borrower shall execute a duly authorized application with respect to such LC and/or LG and each LC and/or LG shall be governed by the terms and conditions of the relevant application for such contract. If there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LC and/or LG, the terms of the application for the LC and/or LG shall govern; and
- c) an LC and/or LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LC and/or LG has been obtained.
- d) LC and/or LG fees and drawings will be charged to the Borrower's accounts.

FEF CONTRACTS

Bank makes no formal commitment herein to enter into any FEF Contract and the Bank may, at any time and at all times, in its sole and absolute discretion, accept or reject any request by the Borrower to enter into a FEF Contract. Should the Bank make FEF Contracts available to the Borrower, the Borrower agrees, with the Bank as follows:

- a) the Borrower shall promptly issue or countersign and return a confirmation or acknowledgement of the terms of each such FEF Contract as required by the Bank;
- b) the Borrower shall, if required by the Bank, promptly enter into a Foreign Exchange and Options Master Agreement or such other agreement in form and substance satisfactory to the Bank to govern the FEF Contract(s);
- c) in the event of demand for payment under the Agreement, the Bank may terminate all or any FEF Contracts. If the agreement governing any FEF Contract does not contain provisions governing termination, any such termination shall be effected in accordance with customary market practice. The Bank's determination of amounts owing under any terminated FEF Contract shall be conclusive in the absence of manifest error. The Bank shall apply any amount owing by the Bank to the Borrower on termination of any FEF Contract against the Borrower's obligations to the Bank under the Agreement and any amount owing to the Bank by the Borrower on such termination shall be added to the Borrower's obligations to the Bank under the Agreement and secured by the Security;
- d) the Borrower shall pay all required fees in connection with any FEF Contracts and indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank in relation to any FEF Contract;
- e) any rights of the Bank herein in respect of any FEF Contract are in addition to and not in limitation of or substitution for any rights of the Bank under any agreement governing such FEF Contract. In the event that there is any inconsistency at any time between the terms hereof and any agreement governing such FEF Contract, the terms of such agreement shall prevail;
- f) in addition to any security which may be held at any time in respect of any FEF Contract, upon request by the Bank from time to time, the Borrower will deliver to the Bank such security as is acceptable to the Bank as continuing collateral security for the Borrower's obligations to the Bank in respect of FEF Contracts; and
- g) the Borrower will enter each FEF Contract as principal, and only for purposes of hedging currency risk arising in the ordinary course of the Borrower's business and not for purposes of speculation. The Borrower understands and hereby acknowledges the risks associated with each FEF Contract, including those disclosed by the Bank in the Risk Disclosure Statement below.

FOREIGN EXCHANGE FORWARDS RISK DISCLOSURE STATEMENT

The Borrower should only enter into over-the-counter foreign exchange forward contracts or variations thereof ("FX Forwards") if it has sufficient knowledge and experience to evaluate them and if it understands, acknowledges and is capable of assuming all of the risks associated with them, including those described below.

Market or Price Risk. FX Forwards involve market or price risk. At any given time after execution but prior to maturity, an FX Forward will have a market value which may be greater or less than the market value the FX Forward had at the time of execution. Accordingly, if the Borrower wishes to reverse or close-out an FX Forward prior to maturity, there may be a resulting gain or loss to the Borrower. Such gain or loss could be substantial depending on the terms of the FX Forward and market conditions, which can change continuously and rapidly.

Absence of Advisory Relationship. While Royal Bank of Canada ("RBC") may comment on a variety of topics in conversation with the Borrower, the Borrower should not assume that RBC is acting in an advisory capacity unless RBC expressly indicates otherwise. All information provided by RBC should be evaluated by the Borrower independently of RBC. This includes not only information about market conditions and trends but also any information about the legal, regulatory, tax, accounting and credit issues generated by FX Forwards.

This Risk Disclosure Statement does not purport to disclose all of the risks and material considerations associated with FX Forwards, and neither this Risk Disclosure Statement, nor any other document provided by RBC, should be construed as legal, tax, investment or business advice or counsel.

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.

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.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province in which the branch of the Bank, which is the Borrower's branch of account, is located, and the laws of Canada applicable therein, as the same may from time to time be in effect. 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.

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.

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.

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 in Canada or any Province thereof, 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;

"Capital Expenditures" means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

"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;

"Current Assets" means, at any time, those assets ordinarily realizable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year;

"Current Liabilities" means, at any time, amounts payable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year (the operating cycle must correspond with that used for current assets);

"Current Ratio" means the ratio of Current Assets to Current Liabilities;

"Debt Service Coverage" means, for any fiscal period, the ratio of EBITDA 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;

"Equity" means the total of share capital (excluding preferred shares redeemable within one year) contributed surplus and retained earnings plus Postponed Debt;

"Financial Assistance" means any form of direct or indirect financial assistance of any other Person by means of a loan, guarantee or otherwise or any obligations (contingent or otherwise) intended to enable another Person to incur or pay any debt or comply with any agreements related thereto or to otherwise assure or protect creditors of another Person against loss in respect of debt or any other obligations of such other Person;

"Fixed Charge Coverage" means, for any fiscal period, the ratio of EBITDA plus payments under operating leases less cash income taxes and Unfunded Capital Expenditures to Fixed Charges;

"Fixed Charges" means, for any fiscal period, the total of Interest Expense, scheduled principal payments in respect of Funded Debt, payments under operating leases and Corporate Distributions;

"Foreign Exchange Forward Contract" or "FEF Contract" means a currency exchange transaction or agreement or any option with respect to any such transaction now existing or hereafter entered into between the Borrower and the Bank.

"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;

"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;

"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.

"Investment" means the acquisition (whether for cash, property, services, securities or otherwise) of shares, bonds, notes, debentures, partnership or other property interests or other securities of any other Person or any agreement to make any such acquisition;

“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;

“Letter of Guarantee” or **“LG”** means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party;

“Margin” or **“Margined”** means that the availability of Borrowings under the credit facilities will be based on the Borrower's level of accounts receivable, inventory and Potential Prior Ranking Claims as determined by reference to regular reports provided to the Bank by the Borrower;

“Overdraft” means advances of credit by way of debit balances in the Borrower's current account;

“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 including Canada Revenue Agency, 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;

“RBUSBR” and **“Royal Bank US Base Rate”** each means the annual rate of interest announced by the Bank from time to time as a reference rate then in effect for determining interest rates on commercial loans made in US 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;

“Tangible Net Worth” means the total of Equity less intangibles, deferred charges, leasehold improvements, deferred tax credits and unsecured advances to related parties. For the purpose hereof, intangibles are assets lacking physical substance;

“Total Liabilities” means all liabilities exclusive of deferred tax liabilities and Postponed Debt;

“Unfunded Capital Expenditures” means Capital Expenditures not funded by either bank debt or equity proceeds.

“US” means United States of America.

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
Master Lease Agreement
 (Common Law)
 Lessee No.: 333608982

This Master Lease Agreement (the "Master Lease Agreement") made as of the 21st day of January, 2019 between

ROYAL BANK OF CANADA ("Lessor")

and

RJ PACKAGING INCORPORATED ("Lessee")

Address:
 5575 North Service Rd,
 Suite 300,
 Burlington, Ontario
 L7L 6M1

Address:
 855 MATHESON BLVD E UNIT #9
 MISSISSAUGA, Ontario
 L4W 4L6

Lessor and Lessee agree as follows:

1. Leasing of Equipment

- 1.1 Lessor may, from time to time, at its option, on the request of Lessee, acquire equipment for leasing to Lessee pursuant to the terms of this Lease Agreement and the relevant supplemental agreement ("Leasing Schedule"). Equipment which is acquired for leasing to Lessee and which is described in a Leasing Schedule is referred to in this Lease Agreement as the "Equipment".
- 1.2 Neither Lessor, nor Lessee on behalf of Lessor, will order or acquire any Equipment unless Lessee has executed such documents and agreements as Lessor may require. Lessee will advise Lessor promptly of any Equipment ordered or acquired by Lessee on behalf of Lessor.
- 1.3 Lessee will provide Lessor with a copy of the invoice for each item of Equipment. If Lessee has purchased the Equipment on behalf of Lessor, Lessee shall cause the purchase invoice to be addressed to Lessor. Payment will be made by Lessor to the seller directly.
- 1.4 Lessee shall conduct such acceptance testing of any Equipment as may be appropriate in the circumstances, and promptly upon successful completion of that acceptance testing shall sign the relevant Leasing Schedule for the Equipment, and return one executed Leasing Schedule to Lessor.
- 1.5 Lessor shall have no responsibility under any purchase order or any purchase or license agreement or any Leasing Schedule if Lessee does not accept the Equipment and sign and deliver to Lessor the Leasing Schedule(s) and acceptance certificate for that Equipment. Any agreement with the seller of the Equipment will include a provision to this effect.
- 1.6 Each Leasing Schedule shall constitute a separate lease (each, a "Lease") of the Equipment described in the Leasing Schedule but incorporating the terms of this Lease Agreement. In the event of a conflict between the terms of this Lease Agreement and any Leasing Schedule with respect to any Lease, the terms of the Leasing Schedule shall govern.
- 1.7 Terms not otherwise defined herein shall have the same meaning ascribed under the Leasing Schedule.

2. Payment of Equipment Cost

- 2.1 Lessor will pay the agreed cost to be funded by Lessor for the Equipment as set out in the Leasing Schedule on the later of: (i) the due date for payment, and (ii) delivery of the signed Leasing Schedule.

3. Rental

- 3.1 Lessee shall pay to Lessor the rental payable, as set out in the relevant Leasing Schedule. The Total Monthly Rental Installment set out in each Leasing Schedule is referred to in

this Lease Agreement as an "Installment". The first Installment is payable on the Commencement Date of the Term and the last of such Installments is payable on the Termination Date of Term, all as set out in the relevant Leasing Schedule.

4. Rent Payment

- 4.1 Each Installment shall be paid at the office of Lessor, at the address set out on page 1 of this Lease Agreement, or at such other place in Canada as Lessor may from time to time designate by notice.

5. Ownership

- 5.1 Title to, ownership of, and property in, the Equipment shall at all times be and remain solely and exclusively in Lessor, subject only to the rights of Lessee to use the Equipment pursuant to the provisions of this Lease, and to purchase the same pursuant to any option granted in the relevant Leasing Schedule. Lessor may require plates or markings to be affixed or placed at the sole cost of Lessee on each item of Equipment indicating Lessor as owner.
- 5.2 The Equipment shall be located and used at the address of Lessee or the location shown under the heading "Equipment Location" of the applicable Leasing Schedule, and shall not be removed from that location without the written consent of Lessor. In the event that the location of the Equipment is changed, Lessee will give to Lessor notice of the new location not later than five (5) days after the change.

6. Personal Property

- 6.1 Notwithstanding any purposes for which the Equipment may be used or that it may become in any manner affixed or attached to or embedded in or permanently rested upon land or any structure thereon, it shall remain moveable personal property, and subject to all of the rights of Lessor under the Lease to which it is subject.
- 6.2 Lessee agrees to use all reasonable commercial efforts to obtain a waiver, if required by and in a form satisfactory to Lessor, from any landlord, mortgagee, hypothecary creditor or other encumbrancers or any person having any interest in the land or structure referred to in Section 6.1 hereof consenting to this Lease Agreement and any relevant Leasing Schedule, and to the exercise by Lessor of its rights thereunder and hereunder and declaring that such encumbrances do not affect the Equipment.
- 6.3 Solely for the purpose of, and to the extent reasonably necessary to protect the interest of Lessor as to its title and first priority interest in the Equipment, and without election or admission that this Agreement or any Leasing Schedule is a finance lease, Lessee grants a security interest in any interest of Lessee in the Equipment to Lessor.

7. Licence

- 7.1 Lessee agrees that Lessor:

- (a) may at any time and from time to time, if an Event of Default (s.18) has occurred and is continuing, enter upon any lands and premises where any Equipment is located with all such force as may be reasonably required, to dismantle, detach and remove the Equipment or render it unusable;
- (b) shall not be liable for any damage done to those lands or premises in exercising those rights, save only such damage as may be caused by the gross negligence or willful act of Lessor or its agents or servants; and
- (c) may, at its election, register, by way of caveat or otherwise, against those lands and premises of its rights under the Lease.

8. Exclusion of Representations and Warranties

- 8.1 Lessee acknowledges that the Equipment will be personally chosen and selected by Lessee without any reliance whatsoever on Lessor, and that it will be of a make, size, design and capacity specified by Lessee for the purpose intended by Lessee.
- 8.2 Lessee confirms that Lessor does not make or give any representation or warranty, express or implied, as to the Equipment, its condition, fitness or suitability for any particular use intended by Lessee.
- 8.3 Lessee shall bear the risk of any theft, loss or destruction of or damage to any item of Equipment. Lessee acknowledges that none of these events will in any way affect its obligations, which will continue in full force and effect, except to the extent of any proceeds of any insurance maintained by Lessee that are actually received by Lessor.
- 8.4 Lessee shall not exert or claim against Lessor any defense, write-off, set-off, claim or counterclaim to which Lessee may be entitled against any supplier of Equipment, and no such right shall affect Lessee's obligations under any Lease.

9. Maintenance and Use

- 9.1 Lessee will, at its own expense:
 - (a) keep the Equipment in good operating condition and repair including, without limitation, the repair of any damage to the Equipment, whatever the cost, except for the repair of ordinary wear and tear, provided that Lessee will repair ordinary wear and tear if such repair is required to maintain the Equipment in good operating condition and repair; and
 - (b) comply in all respects with all recommendations, or requirements of the supplier(s) or manufacturer(s) regarding the Equipment, as may be necessary to preserve all warranties.
- 9.2 Any parts or anything else that are, as part of Lessee's maintenance and repair of the Equipment, placed in or upon the Equipment shall form part of the Equipment, become property of Lessor, and be free of all adverse claims.

10. Inspection

- 10.1 Lessor and its agents shall have the right to inspect the Equipment at any reasonable time upon reasonable notice to Lessee, and Lessee shall afford all reasonable facilities required by Lessor or its agents for the purpose of inspection, and for that purpose may enter any premises where the Equipment is located.

11. Insurance

- 11.1 As and from the earlier of the date upon which Lessor acquires ownership of, or title to, the Equipment or the date on which Lessee takes possession or control of the Equipment, and thereafter throughout the term of each relevant Leasing Schedule, Lessee shall, at its sole expense:
 - (a) place and maintain all risks property insurance on the Equipment, in amounts satisfactory to Lessor, consistent with Lessee's normal and usual practice for insuring equipment of the same general classification. This insurance shall specifically state by its wording or by endorsement that it

- i) includes Lessor (as owner) as an additional named insured, and
- ii) includes a loss payable clause in favour of Lessor;
- (b) place and maintain comprehensive general liability insurance, and automobile liability insurance in the case of leased licensed motor vehicles, with limits of liability satisfactory to Lessor for injury to or death of any one or more persons or damage to property. Said insurance shall specifically state by its wording or by endorsement that it:
 - i) extends to cover the liabilities of Lessee from the use or possession of the Equipment,
 - ii) includes Lessor as an additional named insured, and
 - iii) includes a cross liability provision that the policy shall insure each person, firm or corporation insured thereunder in the same manner and to the same extent as if a separate policy had been issued to each, but the inclusion therein of more than one insured shall not operate to increase the limits of the insurers' liability.

- 11.2 Lessee shall supply Lessor with a certificate of insurance or other evidence satisfactory to Lessor evidencing the foregoing coverage and evidence of its renewal or replacement from time to time, so long as any Leasing Schedule remains in force and effect.

12. Taxes

- 12.1 Lessee shall pay punctually all sales taxes, licence fees, business taxes, levies and assessments of every nature and kind whatsoever which be or become payable at any time or from time to time upon, or in respect of, the Equipment, and any payments to be made under this Lease Agreement or any Leasing Schedule, except for income taxes payable by Lessor.

13. Adverse Claims

- 13.1 Lessee shall keep the Equipment free and clear of all adverse claims. Lessee may contest any adverse claim provided that Lessee:
 - (a) gives Lessor notice of the adverse claim;
 - (b) provides Lessor with an indemnity and collateral security, both satisfactory to Lessor; and
 - (c) contests the adverse claim with all due dispatch.

14. Laws and Regulations

- 14.1 Lessee shall comply with all laws, by-laws and regulations relating to the ownership, possession, operation and maintenance of the Equipment including, without limiting the generality of the foregoing, laws, by-laws or regulations dealing with the protection of the environment, health and safety. Lessee will obtain and maintain all necessary licenses, permits and permissions required for the use of the Equipment.

15. Alterations

- 15.1 All alterations, additions or improvements made by Lessee to the Equipment shall be at Lessee's expense and shall belong to and become the property of Lessor and be subject to all the provisions of this Lease Agreement and the relevant Leasing Schedule.

16. Loss of Equipment

- 16.1 Lessee shall bear the risks of (i) any total loss, or loss that amounts, in the sole opinion of Lessor, to a total loss of Equipment through theft, damage, or destruction and (ii) any expropriation or other compulsory taking or use of Equipment by any government or other authority ("Loss of Equipment"). If a Loss of Equipment occurs, Lessee shall pay to Lessor an amount calculated as the aggregate of (A) all installments which were to be paid during the remainder of the Term, (B) any installments then owing and unpaid, and (C) the Purchase Option amount, if any, (each of (A), (B), and (C) as specified under the relevant Leasing Schedule) and (D) all federal and provincial sales, goods

and services or transfer taxes, licence fees and similar assessments connected with the transfer of Lessor's right, title and interest in the Equipment to Lessee.

- 16.2 Upon such payment, Lessor shall convey on an "as is", "where is" basis, subject to the rights of the insurer, all its right, title and interest in the Equipment and any claim for proceeds of loss of equipment, in which case the Lease shall terminate with respect to that Equipment, and no further Installments shall be payable thereafter with respect to that Equipment.

17. Lessee's Acknowledgements - Foreseeable Damages

17.1 Lessee hereby acknowledges that Lessor:

- (a) has or will acquire the Equipment at the request and direction of Lessee and for the purpose of leasing same to Lessee under a Leasing Schedule; and
- (b) intends to treat the lease of Equipment to Lessee as a true lease and to claim over the term of the lease all available tax benefits.

Lessee acknowledges that if an Event of Default occurs, Lessor's return on its investment may be adversely affected. In that case Lessor may, in addition to its immediate loss of interest on its investments, sustain and claim from Lessee other foreseeable damages which cannot be quantified on the date of execution of this Lease Agreement or any Leasing Schedule. Those damages may include, without limitation, loss of fiscal benefits for the remainder of the term of any lease of any Equipment or increased tax liabilities or both, unanticipated increased administrative costs, amortized but unrecovered setup costs, fees and disbursements as well as additional or increased monetary liabilities towards any third party lender, under or by reason of such Event of Default and the premature termination of the lease of any Equipment and the funding thereof.

18. Events of Default

18.1 Any of the following is an "Event of Default":

- (a) Failure by Lessee to pay any Installment or other amount pursuant to any Leasing Schedule.
- (b) Failure by Lessee to perform any of its obligations under Sections 11 or 14 of this Lease.
- (c) Failure of Lessee to perform any of its other obligations within 15 days of notice from Lessor as to the failure and requiring it to be rectified.
- (d) The bankruptcy or insolvency of Lessee, the filing against Lessee of a petition in bankruptcy, the making of an authorized assignment for the benefit of creditors by Lessee, the appointment of a receiver or trustee for Lessee or for any assets of Lessee or the institution by or against Lessee of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise, or the institution by or against Lessee of any formal or informal proceedings for the dissolution or liquidation of, settlement of, claim against or winding up of affairs of Lessee.
- (e) The amalgamation of Lessee with another corporation or corporations, or continuation of Lessee under a statute other than the statute under which it exists at the date of execution of this Lease Agreement.
- (f) If any adverse claim becomes enforceable against Lessee affecting or against any Equipment.
- (g) Failure of Lessee to perform any obligation it may have under any agreement with Royal Bank of Canada or any of its subsidiaries.
- (h) A change that is, in the opinion of Lessor, a material adverse change in the business, financial condition or ownership of Lessee or Equipment.

19. Lessor's Remedies on Default

19.1 If an Event of Default occurs, Lessor may, without notice to Lessee, and in addition to any other rights or remedies

Lessor may have at law or in equity, under this Lease Agreement or the relevant Leasing Schedule:

- (a) take possession of all Equipment, and for that purpose may enter any premises where any of the Equipment is located;
- (b) sell, lease or otherwise dispose of Equipment for such consideration and upon such terms and conditions as it considers reasonable;
- (c) without terminating or being deemed to have terminated the relevant Leasing Schedule, acting in the name of and as the irrevocably appointed agent and attorney of Lessee, to lease any item of the Equipment to any other person upon such terms and conditions, for such rental and for such period of time as Lessor may deem reasonable, and to receive that rental and hold and apply it against any amount owing by Lessee to Lessor under the Leasing Schedule.

19.2 If an Event of Default occurs, then whether or not Lessor has taken possession of any Equipment, Lessee shall pay to Lessor on demand an amount determined as follows:

- (a) an amount calculated by discounting the aggregate amount of all Installments, including the Purchase Option amount, if any, specified under the relevant Leasing Schedule which were to be paid during the remainder of the Term, using an assumed rate equal to the lesser of:
 - i) five percent (5%);
 - ii) the bond rate at the date, for the equivalent term to maturity, of the relevant Leasing Schedule; and
 - iii) the bond rate at the date of the discount calculation for a term equivalent to the remaining term of such Leasing Schedule (with, in the case of (ii) and (iii), Canadian dollar obligations being benchmarked against bonds issued by the Government of Canada and U.S. dollar obligations being benchmarked against bonds issued by the Government of the United States of America); plus.
- (b) the amount of any damages described in Section 17.1 suffered or sustained by Lessor and not recovered pursuant to Section 19.2 (a); plus
- (c) the amount of any Installments or payments of interim rental due as of the date of Event of Default and unpaid, and any other amount due on that date and unpaid under the Lease; plus
- (d) any cost of disposition of the Equipment, less
- (e) the amount of any security deposits under that Leasing Schedule and any proceeds of the disposal of the Equipment actually received by Lessor.

19.3 If Lessor has leased Equipment pursuant to its rights under this Section 19 it may demand payment under Section 19.2, and account to Lessee for the proceeds of that lease as and when Lessor receives them.

19.4 If Lessor has not taken possession of the Equipment, and Lessee pays Lessor the amount determined under Section 19.2 hereof, then Lessor will convey all of its right, title and interest in all Equipment to Lessee, on the terms of Sections 21.5 and 21.6 hereof

20. Lessor's Option to Terminate

20.1 Lessee agrees that neither this Lease Agreement nor any Leasing Schedule, nor any interest therein or in any Equipment, shall be assignable or transferable by operation of law and it is agreed and covenanted by and between the parties hereto that if any Event of Default shall occur or happen, then this Lease Agreement and any and all Leasing Schedules shall, at the option of Lessor to be exercised by notice hereunder, immediately end and terminate and neither this Lease Agreement nor any Leasing Schedule or any interest therein shall be an asset of Lessee after the exercise of that option; provided that no such termination shall terminate or affect any right or remedy which shall have arisen under the Lease prior to such termination.

21. Option to Purchase

- 21.1 If there is no Event of Default, Lessor hereby grants to Lessee an option to purchase whatever title Lessor may have to the Equipment for the purchase price and at the time or times set forth in the relevant Leasing Schedule.
- 21.2 This option to purchase may be exercised by Lessee by giving to Lessor notice of Lessee's intention to exercise such option, at least thirty (30) days prior to the date of intended purchase, describing the Equipment with respect to which such option is being exercised.
- 21.3 The intended purchase and sale shall be concluded on a date specified in the said notice falling on or after, the date stated in the relevant Leasing Schedule, but in any event not later than the termination date of the term pertaining to the Equipment being purchased.
- 21.4 Upon the exercise of this option, there shall be a binding agreement for the sale and purchase of the Equipment described in the notice on the terms and conditions provided herein. The purchase price shall be paid to Lessor at the time of the conclusion of the sale.
- 21.5 Upon this purchase, Lessor shall sell the Equipment so purchased free and clear of all interests of Lessor under this Lease Agreement and any Leasing Schedule and thereupon the Lease shall terminate with respect to the Equipment so purchased. The sale shall be on an "as-is where-is" basis and be without representation or warranty by Lessor except that it has the right to sell the Equipment to Lessee and that it has not given any security interest in the Equipment to any third party.
- 21.6 Lessee shall bear the cost of any taxes, licence or registration fees or other assessments or charges imposed on, or connected with, the transfer of title to and ownership of the Equipment.

22. Remedying Defaults

- 22.1 If Lessee shall fail to perform or comply with any of its obligations under this Lease Agreement or any Leasing Schedule, Lessor at its discretion may do all such acts and make all such disbursements as may be necessary to cure the default and any costs incurred or disbursements made by Lessor in curing any such default shall be payable by Lessee on demand.

23. Indemnification

- 23.1 Lessee shall indemnify Lessor and save Lessor harmless from and against all loss, costs, damage or expense of every nature and kind whatsoever sustained or suffered by Lessor, or for which Lessor may be or become liable, resulting from:
- (a) the execution of the Lease Agreement or any Leasing Schedule by Lessor or the purchase or ownership by Lessor of the Equipment;
 - (b) the non-acceptance by Lessee or the failure, refusal or neglect of Lessee to accept the Equipment;
 - (c) the moving, delivery, maintenance, repair, use, operation or possession of the Equipment or the ownership thereof or other rights held therein by Lessor; or
 - (d) the failure of Lessee to comply with any of its obligations under this Lease Agreement or any Leasing Schedule; unless caused by the act or neglect of Lessor, its servants or agents.

24. Assignment of Warranties

- 24.1 Lessor hereby assigns to Lessee the benefit of all warranties resulting from the sale entered into with the supplier for its use during the term of the Lease.

25. Patent Infringement

- 25.1 Lessee shall defend and hold Lessor free and harmless from any cost, loss, damage or expense suffered or incurred by Lessor in any suit, proceeding or otherwise so far as the same is based on any claim that the use or operation of the Equipment by Lessee infringes any patent or copyright.

26. Overdue Payment

- 26.1 Any overdue payment shall bear interest at the rate of Royal Bank Prime Interest Rate plus five per cent (5%) per annum calculated monthly whether before or after judgement, from the date it is due until paid.

27. Delivery at Termination

- 27.1 Lessee shall on the expiration or sooner termination of any Lease, surrender the Equipment to Lessor at a place in Canada designated by Lessor in good order and repair, ordinary wear and tear excepted.
- 27.2 In the event that with or without the consent of Lessor, Lessee remains in the possession of or uses the Equipment after the expiration of the term of the Lease pertaining thereto, all the provisions of the Lease shall apply thereto, including the payment of rental and all other payments required, unless and until the same has been surrendered pursuant to the terms of this section, or Lessor has relieved Lessee from its obligations under the Lease with respect to the Equipment.

28. Notice

- 28.1 Any notice required to be given hereunder shall be in writing and may be personally delivered, sent by facsimile or electronic mail or may be forwarded by registered mail. If any such notice is so mailed it shall be deemed to have been given by the sender and received by the party hereto to whom it has been addressed two (2) business days after the mailing thereof by prepaid registered mail addressed to the address shown on page 1 of this Lease Agreement or on the same business day if sent by delivery, facsimile or by electronic mail.
- 28.2 Any person to whom a notice is required to be addressed may from time to time give notice of any change of address and in such event the foregoing addresses shall be deemed to have been changed accordingly.

29. Third Parties

- 29.1 Lessee will not (i) cause or permit the Equipment to be used by, on behalf of or for the benefit of any person other than Lessee, or (ii) cause or permit any person other than Lessee to give notices or instructions in respect of the Equipment or direct the manner of exercise of the rights of Lessee pursuant to any Lease.
- 29.2 Lessee shall not part with possession of the Equipment.
- 29.3 Lessee will not assign any Lease or sub-lease any Equipment without the prior consent in writing of Lessor, such consent not to be unreasonably withheld. No assignment of the Lease or sub-leasing of any Equipment shall relieve Lessee of its obligations hereunder.

30. Corporate Waiver

- 30.1 Lessee waives its right to receive a copy of any financing statement or financing change statement registered by Lessor.
- 30.2 Lessee hereby acknowledges that seizure or repossession of the Equipment referred to in any Lease shall not, by implication of law, extinguish Lessee's indebtedness under any such Lease or other collateral security.

31. Limitation of Civil Rights - Saskatchewan

- 31.1 Lessee covenants and agrees with Lessor that The Limitation of Civil Rights Act of the Province of Saskatchewan shall have no application to this Lease Agreement or any Leasing Schedule.

32. Successors and Assigns

- 32.1 This Lease Agreement and each Leasing Schedule shall enure to the benefit of, and be binding upon Lessor and Lessee, their successors and assigns. Lessor shall be at liberty to assign and otherwise deal with its rights under any Lease.

33. Records

33.1 Lessee shall maintain a record describing each item of Equipment, all changes, replacements, modifications and alterations thereto and the cost thereof. The record described shall be available to Lessor, its representatives or agents for inspection and to copy.

34. Offset

34.1 Lessee hereby waives any and all existing and future claims and offsets against any payment due to Lessor hereunder and agrees to pay those amounts due hereunder regardless of any offset or claim which may be asserted by Lessee or on its behalf.

35. Remedies Cumulative

35.1 All rights and remedies of Lessor hereunder are cumulative and not alternative and may be exercised by Lessor separately or together, in any order, sequence of combination.

36. Time

36.1 Time is and shall be in all respects of the essence of any Lease.

37. Entire Transaction

37.1 This Lease Agreement and each Leasing Schedule represents the entire transaction between the parties hereto relating to the subject matter.

37.2 No agreement purporting to amend or modify this Lease Agreement or any Leasing Schedule or any document, paper or written relating hereto or thereto, or connected herewith or therewith, shall be valid and binding upon the parties hereto unless in writing and signed and accepted in writing by both parties hereto.

38. No Merger in Judgment

38.1 The taking of any judgment under this Lease Agreement or any Leasing Schedule shall not operate as a merger of any term, condition or provision hereof or thereof.

39. Further Assurances/Copy of Agreement

39.1 Lessee shall give further assurances and do, execute and perform all such acts, deeds, documents and things as may be reasonably required to enable Lessor to have the full benefit of all rights and remedies intended to be reserved or created hereby.

39.2 Lessee acknowledges receipt of a copy of this Lease Agreement.

40. Applicable Law

40.1 This Lease Agreement and each Leasing Schedule hereto shall be governed, construed and enforced in accordance with the laws of the Province of Ontario.

41. Currency

41.1 All sums payable by Lessee to Lessor under this Lease Agreement or any Leasing Schedule hereto shall be paid in Canadian dollars, unless otherwise specified in the Leasing Schedule.

42. Language

42.1 This Lease Agreement and each Leasing Schedule are drawn up in the English language at the request of both parties.

Le présent contrat de location a été rédigé en langue anglaise à la demande des deux parties.

43. General

43.1 Any terms herein defined in the singular numbers shall have a corresponding meaning when used in the plural.

43.2 Any act or deed required to be observed, performed or done hereunder falling on a Saturday, Sunday or other statutory holiday shall be observed, performed or done on the business day next following but any delay hereby granted shall not extend to relieve either party from the due performance and fulfillment of its obligations hereunder.

44. Electronic Communications

44.1 Lessor will be entitled to rely on any communication of agreement (including, without limitation, a signature affixed on behalf of Lessee) appearing on a facsimile transmission or on a document, agreement, instrument, notice or instructions (each, a "Document", and collectively, the "Documents") delivered by electronic mail that purports to be a communication of agreement by or on behalf of Lessee or of a representative of Lessee as being authorized, valid and binding on Lessee, even if the signature was not, in fact, signed by Lessee or its representative, or any other communication of agreement was not, in fact, made or given by Lessee or its representative. Lessee will keep the originals of all documents, agreements, instruments, notices and instructions transmitted to Lessor by facsimile or electronic mail, and will produce them to Lessor upon request. Lessor and Lessee agree that a copy of a document, agreement, instrument, notice or instructions transmitted by facsimile or electronic mail shall be admissible as evidence of its contents and its execution by the parties in the same manner as an original document, and expressly waive any right to object to its introduction in evidence, including any right to object based on the best evidence rule. Lessee further agrees that Lessor may convert paper records of any Document (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of Lessor's normal business practices. The parties agree that such Electronic Image shall be considered as an authoritative copy of the Paper Record, shall have the same legal value as the Paper Record, shall be legally binding on the parties and shall be admissible as conclusive evidence of its content in the same manner as the original Paper Record.

45. Financial Information

45.1 Lessee will provide to Lessor from time to time such information about Lessee and Lessee's business as Lessor shall reasonably request, including, without limitation, bank and financing ratings, any financial statements prepared by or for Lessee regarding Lessee's business.

In witness whereof the parties hereto (acting, where applicable, through their proper signing officers duly authorized in that behalf) have executed this Lease Agreement on the date indicated on the first page hereof, irrespective of the date of actual execution by each of the parties.

Royal Bank of Canada ("Lessor")

per 

Eugene Basolini
Head, Equipment Finance Solution Centre

RJ PACKAGING INCORPORATED ("Lessee")

per 

per Smit Jani, Director



Revision (04/16)
Commitment to Lease
Lessee No. 333608982
Lease No. 201000045274
Always refer to these numbers

RJ PACKAGING INCORPORATED
 855 MATHESON BLVD E UNIT #9
 MISSISSAUGA, Ontario
 L4W 4L6

Attention: BIMAL DAVE

Dear Sirs:

Royal Bank of Canada (hereinafter called "Royal Bank") is pleased to confirm that we are prepared to acquire, for the purpose of leasing to your Company, the assets (hereinafter called the "Equipment") as described below, upon the terms and conditions hereinafter set forth.

1. Lessee

RJ PACKAGING INCORPORATED (hereinafter called the "Lessee")

2. Lessor

Royal Bank

3. Equipment

LEASEHOLD RENOVATIONS

The Equipment shall remain the property of Royal Bank, and the Lessee shall have no right or interest in the Equipment except as provided in this agreement. The Equipment shall at all times be and remain personal or movable property, regardless of the manner in which it may be attached to any real or immovable property.

4. Net Equipment Cost

The cost of acquisition of the Equipment (the "Net Equipment Cost"), according to your advice, shall not exceed the sum of \$350,000.00. Any increase in the Net Equipment Cost to be paid by Royal Bank is subject to prior written approval.

5. Timing of Purchase

The Equipment must be purchased by Royal Bank prior to January 22, 2020 (hereinafter called the "Expiry Date"). Any extension by Royal Bank of this agreement is subject to prior written approval.

6. Term

The Equipment shall be leased for a term of 60 months.

7. Rental

The rentals shall be based on the 5 Yr Swap all-in OFF RBC Lease Base Rate being 2.40% ("Index Rate") on January 21, 2019. For any increase or decrease in the Index Rate as of the day prior to execution of Royal Bank's Leasing Agreement, the rentals will be adjusted upwards or downwards, as the case may be to reflect the new Index Rate.

8. Option to Purchase

The Lessee shall have the right to purchase the Equipment on the dates hereinafter set forth in consideration of the respective purchase price established by applying the respective percentage, or amount where applicable, stated hereunder to the Net Equipment Cost.

<u>Purchase Option Date</u>	<u>Percentage of Net Equipment Cost</u>
After 60 rentals have been paid	\$1.00

9. Insurance

The Lessee shall provide evidence of public liability and property damage insurance coverage in respect of the Equipment with limits of not less than \$2,000,000.00. The Equipment must also be insured to its full insurable value against all insurable risks and perils consistent with your usual practice for equipment of the same general classification and furnish evidence to Royal bank prior to the delivery of the equipment and thereafter upon request. Such insurance shall take effect on the date on which Royal Bank assumes responsibility for the Equipment or any part thereof.

10. Documentation and Legal Fees

The Lessee acknowledges that it has reviewed Royal Bank's standard Leasing Agreement(s) and that it is deemed acceptable for use on this transaction. A copy of the standard Leasing Agreement(s) will be provided upon request, if the lessee has not already been provided with one prior to this agreement. All expenses, costs or charges incurred by the Lessor, acting reasonably, for the publication or registration of the Leasing Agreement or other documents related to or connected with this proposed transaction are for your account.

All documents, agreements or writings, including without restriction a Leasing Agreement, in the reasonable opinion of our solicitors required to evidence the lease transaction, shall contain such terms and conditions as may be mutually agreed upon, and shall in all respects be satisfactory to our respective solicitors.

In the event you request changes in the terms and conditions of our standard Leasing Agreement which require us to engage counsel to consider and/or negotiate the details of such changes, then the legal fees thus incurred by us will be for your account.

11. Fees

A fee in the amount of \$1,000.00, plus applicable taxes, will be collected upon the execution for the Leasing Agreement.

12. Other Agreements and Appendices

All other agreements held by Royal Bank for the purposes of leasing the Equipment described in paragraph (3) which reference this Commitment to Lease are considered part of this agreement. The undemoted appendices, if shown, also form part of this agreement:

13. General Conditions

The Lessee will personally choose and select the Equipment and Royal Bank shall not, in any respect, be liable or responsible for the quality, adequacy or suitability of the Equipment or for any warranty claims for the maintenance, repair or satisfactory operation of the Equipment. Furthermore, the Lessor hereby conveys to the Lessee the warranty resulting from the sale entered into with the supplier.

Royal Bank will not become obligated to purchase the Equipment or any part thereof until the Leasing Agreement and all other documents required shall have been executed between us.

14. Royal Bank will be entitled to rely on any signature appearing on a facsimile transmission that purports to be a signature of the Lessee or of a representative of the Lessee as being authorized, valid and binding on the Lessee, even if the signature was not, in fact, signed by the Lessee or its representative. The Lessee will keep the originals of all documents and instructions transmitted to Royal Bank by facsimile and will produce them to Royal Bank upon request. Royal Bank and the Lessee agree that a copy of a document transmitted by fax shall be admissible as evidence of its contents and its execution by the parties in the same manner as an original document, and expressly waive any right to object to its introduction in evidence, including any right to object based on the best evidence rule.

This Commitment to Lease is open for acceptance by the Lessee until February 21 2019, after which date, unless extended by us in writing, the same shall lapse, become null and void and be of no further force and effect.

If the foregoing is acceptable to you, please so indicate by executing this agreement and returning a copy to us. Please retain a copy of this agreement for your records and future reference.

We, the undersigned, agree to lease the described Equipment on the above terms and conditions and confirm that we have the authority to sign for on behalf of the Lessee. The Lessee may not assign, cede or otherwise dispose of their rights under this Commitment to Lease and no amendment hereto shall be binding on either of us unless the same is in writing.

Lessor and Lessee hereby acknowledge that they have required this Agreement and all related documents to be drawn up in the English language. La Banque Royale et le crédit-preneur reconnaissent avoir exigé que la présente demande de crédit-bail et les documents s'y rattachant soient rédigés en anglais.

Dated on the 21st day of January, 2019.

RJ PACKAGING INCORPORATED

Per: Smit Jani

(Authorized Signatory)

Title: Director

Per: _____

(Authorized Signatory)

Title: _____

Royal Bank of Canada

Per: 

Eugene Basolini

Head, Equipment Finance Solution Centre



Revision (04/2016)
Interim Funding Agreement
 (Take-out Letter – Prime)
 (PPSA)

THIS AGREEMENT made the 21 day of January 2019

BETWEEN:

RJ PACKAGING INCORPORATED ("Lessee")

-and-

ROYAL BANK OF CANADA ("Royal Bank"),

WHEREAS both parties herein confirm arrangements been made concerning the purchase for the purpose of leasing to the Lessee LEASEHOLD RENOVATIONS (hereinafter called the "Equipment") to be installed in 45 BESALTIC ROAD CONCORD Ontario L4K1G5.

The Lessee further confirms that they will receive the Equipment on behalf of Royal Bank at location(s) designated by the Lessee prior to January 22, 2020, and that Royal Bank will be required to make partial payments (hereinafter called "Interim Advances") of the purchase price prior to that date to various suppliers.

By executing this agreement, and returning same to us, we mutually agree as follows:

1. The Lessee shall lease the Equipment from Royal Bank on or before January 22, 2020, (hereinafter called the "Expiry Date") under the terms and conditions stated in the Lease Application or Commitment to Lease dated January 21, 2019, and Royal Bank's standard Equipment Lease or Master Lease Agreement (and appropriate Leasing Schedule) as applicable, hereinafter referred to as the "Lease", copy of which can be provided upon request.
2. Royal Bank will pay up to \$350,000.00 in respect of the purchase price for the Equipment to the supplier(s), in whole or in part prior to the execution of the Lease.
3. In the event the Lease is not entered into by the Expiry Date, or at such earlier or later date as may be mutually agreed upon, the Lessee shall, at Royal Bank's request purchase the equipment for a purchase price equal to the full amount of money paid to the supplier(s) plus all taxes, installation costs, or otherwise paid, any unpaid Interim Rentals as determined in paragraph (4) hereunder and at the Bank's discretion a cancellation fee not to exceed \$2,500.00 (hereinafter called the "Purchase Price"). Such payment shall be deemed due and payable within 10 business days of the Expiry Date, unless otherwise mutually agreed to by both parties in writing. Upon payment in full of the Purchase Price Royal Bank will transfer whatever right or title Royal Bank may have therein. The transfer of Royal Bank's rights or interest in, or title to, said Equipment will be without warranty of any kind on our part.
4. On the last day of every month, until the day on which the Lease takes effect, the Lessee shall pay to Royal Bank an Interim Rental, plus applicable taxes, on all monies paid out by Royal Bank to suppliers to that day. Such Interim Rent shall be based on Royal Bank's Interim Rental Rate "IRR", which fluctuates from time to time based on Royal Bank Prime plus 1.29%, and is calculated using to the undemoted formula:

$$\text{Interim Advances} \times (\text{IRR}/100) \div 365$$

and by multiplying the result thereof by the number of days from and including the day on which payment is made, to and including the last day of the month.

5. The Lessee shall use and preserve the Equipment in a careful and proper manner, and shall cause the Equipment to be operated by competent operators only.
6. The Lessee covenants and agrees that the Lessee is not entering into, and will not otherwise direct, administer or operate, this Agreement for the benefit or on behalf of any Person other than the Lessee. "Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association and any other incorporated or unincorporated entity.
7. The Lessee shall be liable to maintain the Equipment in the same condition in which it was received, normal and responsible wear and tear excepted, and shall bear all costs of operation including all necessary repairs, maintenance and replacements.

8. The Lessee shall, while this Agreement is in effect, at it's sole expense place and maintain insurance, in a form, acceptable to Royal Bank and shall provide evidence of such insurance as requested from time to time.
9. The Lessee shall pay an initial set-up fee of \$0.00 upon the execution of this Agreement and a further fee of \$0.00 payable monthly for the management and administration of this Agreement. The Lessee further authorizes Royal Bank to debit the Lessee's account for the purposes of paying aforementioned fees, together with any Interim Rentals due under Paragraph 4 of this Agreement. Details of the Account upon which the Royal Bank is authorized to debit are indicated below and a specimen cheque for the account marked "Void" is attached to this Agreement.

Name of Financial Institution & Number: RBC 003

Branch Address:

City, Province:

Transit # 03252 Account # 1047190

10. The Lessee shall indemnify Royal Bank and save harmless from and against any and all loss, damages, costs, expense, claims and demands, liens and other liabilities of every nature and kind whatsoever that may arise or which Royal Bank may sustain by reason of or in consequence of the payment of the whole or part of the purchase price of the Equipment or the use, possession or operation thereof by the Lessee.
11. The Lessee hereby grants to and in favor of Royal Bank a security interest, within the meaning of the Personal Property Security Act, in all its right, title and interest, from time to time, in the Equipment, such security interest to be given as to each and every of the obligations of the Lessee to Royal Bank, and as to the interest of the Lessee in the Equipment, whether the obligations secured, or the interest in the Equipment arises under this Agreement, the Lease Application or Commitment to Lease, the Lease, or otherwise. Royal Bank shall have, as a consequence of the grant of security interest herein, the rights of a secured creditor, under the Personal Property Security Act, and it shall have the right to exercise each and every of such rights, including the right to provide notice, and seek to exercise its remedies by way of sale or seizure of the Equipment, forthwith upon default under or pursuant to this Agreement, the Lease Application or Commitment to Lease, the Lease, or any other agreement as between the Lessee and Royal Bank relating to the Equipment. Default under the terms of this Agreement include any failure to enter into the Lease, as required by paragraph 3, or to reacquire the Equipment as required in paragraph 3 of this Agreement. The security interest granted herein is, to the extent title or interest in the Equipment is deemed to be that of the Lessee, a purchase money security interest, the acquisition by Royal Bank being an acquisition of Equipment for the purposes of lease to Lessee. Royal Bank hereby reserves all right, title, and interest in and to the Equipment, on the terms and conditions as provided in the Lease.
12. Royal Bank will be entitled to rely on any signature appearing on a facsimile transmission that purports to be a signature of the Lessee or of a representative of the Lessee as being authorized, valid and binding on the Lessee, even if the signature was not, in fact, signed by the Lessee or its representative. The Lessee will keep the originals of all documents and instructions transmitted to Royal Bank by facsimile, including the application for this Interim Funding Agreement if it was previously transmitted by facsimile to Royal Bank, and will produce them to Royal Bank upon request. Royal Bank and the Lessee agree that a copy of a document transmitted by fax shall be admissible as evidence of its contents and its execution by the parties in the same manner as an original document, and expressly waive any right to object to its introduction in evidence, including any right to object based on the best evidence rule.

This Agreement does not constitute a lease of the Equipment.

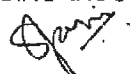
This Agreement shall be binding upon and enure to the benefit of both parties, their respective successors, administrators and assigns.

ROYAL BANK OF CANADA



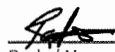
Eugene Basolini
Head, Equipment Finance Solution Centre

RJ PACKAGING INCORPORATED

Per: 

Per: _____

This is **Exhibit "C"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.


Rachel Moses (Jul 9, 2021 11:31 EDT)
A Commissioner for Taking Affidavits
Rachel Moses / LSO# 42081V



SRF: 333608982
Borrower: RJ PACKAGING INCORPORATED

6880 FINANCIAL DR
2ND FLR LINK
MISSISSAUGA
ONTARIO
L5N 7Y5
CA

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 and all other Investment Property 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.

Please do not write in this area



RBC333608982001012000924

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "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., 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 and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). 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

Please do not write in this area



RBC333608982002012000924

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:

Please do not write in this area



RBC333608982003012000924

- (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, INVESTMENT PROPERTY

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.

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

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

Please do not write in this area



RBC333608982004012000924

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 inappropriate 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

Please do not write in this area



RBC333608982005012000924

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 situate, 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

Please do not write in this area



RBC333608982006012000924

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 situate) 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.

Please do not write in this area



RBC333608982007012000924

(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 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

Please do not write in this area



RBC333608982008012000924

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 branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

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).

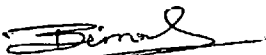
16. Debtor represents and warrants that the following information is accurate:

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR RJ PACKAGING INCORPORATED			
ADDRESS OF BUSINESS DEBTOR UNIT 38, 833 SCOLLARD COURT	CITY MISSISSAUGA	PROVINCE ONTARIO	POSTAL CODE L5V2B4

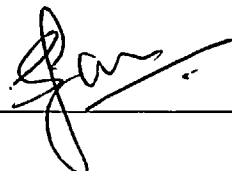
IN WITNESS WHEREOF Debtor has executed this Security Agreement this 21st day December 2018

RJ PACKAGING INCORPORATED



WITNESSES

WITNESSES



Seal

Seal

Please do not write in this area



RBC333608982009012000924

SCHEDULE "A"**(ENCUMBRANCES AFFECTING COLLATERAL)**

Please do not write in this area



RBC333608982010012000924

SCHEDULE "B"**1. Locations of Debtor's Business Operations**

UNIT 38, 833 SCOLLARD COURT,
MISSISSAUGA
ONTARIO
CA
L5V2B4

2. Locations of Records relating to Collateral

UNIT 38, 833 SCOLLARD COURT,
MISSISSAUGA
ONTARIO
CA
L5V2B4

3. Locations of Collateral

UNIT 38, 833 SCOLLARD COURT,
MISSISSAUGA
ONTARIO
CA
L5V2B4

Please do not write in this area



RBC333608982011012000924

SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

Please do not write in this area



RBC333608982012012000924

This is **Exhibit "D"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.



Rachel Moses (Jul 9, 2021 11:31 EDT)

A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V



Guarantee and Postponement of Claim

SRF: 333608982
Borrower: RJ PACKAGING INCORPORATED

6880 FINANCIAL DR
2ND FLR LINK
MISSISSAUGA
ONTARIO
L5N 7Y5
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 **RJ PACKAGING INCORPORATED** (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 **\$550,000.00** 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



RBC333608982001004000812

(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.

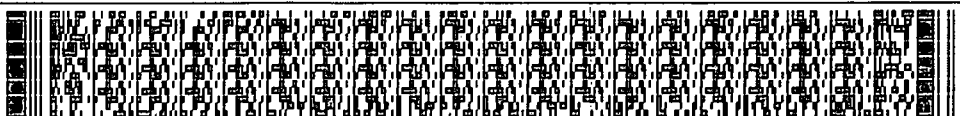
(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents 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



RBC333608982002004000812

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.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

licable in all
3.A.
nt Ontario.)

Please do not write in this area



RBC333608982003004000812

EXECUTED this at Mississauga on December 21, 2018
(MONTH) (DAY) (YEAR)

76

IN THE PRESENCE OF

Witness Signature:

BIMAL DAVE

Name:

Witness Signature:

BIMAL DAVE

Name:

Witness Signature:

BIMAL DAVE

Name:

SMIT RAMESH JANI

MITALI SMIT JANI

JAYANTKUMAR NAGJIBHAI PANCHASARA

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

Full name and address

SMIT RAMESH JANI
3357 COLONIAL DRIVE
MISSISSAUGA
ONTARIO
L5L5A7
CA

MITALI SMIT JANI
UNIT 38, 833 SCOLLARD COURT
MISSISSAUGA
ONTARIO
L5V2B4
CA

JAYANTKUMAR NAGJIBHAI PANCHASARA
1603-2405 FINCH AVE WEST
NORTH YORK
ONTARIO
M9M 2X2
CA

Please do not write in this area



RBC333608982004004000812

This is **Exhibit "E"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.



Rachel Moses (Jul 9, 2021 11:31 EDT)

A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V

RUN NUMBER : 172
RUN DATE : 2021/06/21
ID : 20210621092845.96

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

REPORT : PSSR060
PAGE : 1
(3303)

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 : RJ PACKAGING INCORPORATED

FILE CURRENCY : 20JUN 2021

ENQUIRY NUMBER 20210621092845.96 CONTAINS 10 PAGE(S), 3 FAMILY(IES).

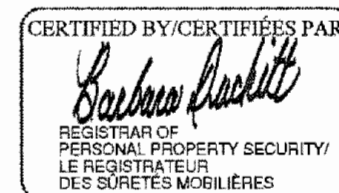
THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

CYBERBAHN, A THOMSON REUTERS BUSINESS

333 BAY STREET, STE. 400
TORONTO ON M5H 2R2

CONTINUED...

2



(crrj5 06/2019)

RUN NUMBER : 172
 RUN DATE : 2021/06/21
 ID : 20210621092845.96

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

REPORT : PSSR060
 PAGE : 2
 (3304)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : RJ PACKAGING INCORPORATED
 FILE CURRENCY : 20JUN 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 753463926

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	001	2		20190718 0810 1532 0495	P PPSA	06

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02				

DEBTOR NAME	BUSINESS NAME
03	RJ PACKAGING INCORPORATED

ADDRESS	CITY	PROV	POSTAL CODE
04	38-833 SCOLLARD CRT	MISSISSAUGA	ON L5V 2B4

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	24APR1979	SMIT	R	JANI

DEBTOR NAME	BUSINESS NAME
06	

ADDRESS	CITY	PROV	POSTAL CODE
07	38-833 SCOLLARD CRT	MISSISSAUGA	ON L5V 2B4

SECURED PARTY / LIEN CLAIMANT	NAME
08	VW CREDIT CANADA INC.

ADDRESS	CITY	PROV	POSTAL CODE
09	4865 MARC-ELAIN ST., SUITE 300	ST-LAURENT	QC H4R 3B2

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF MATURITY	NO. OF FIXED
CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED			
10	X	X	X	X	125571.21	10JUL2024	

MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
11	2019 AUDI	A7 TECHNIK	WAUV2AF27KN026998

13 GENERAL THE FULL DEBTOR NAME IS - SMIT RAMESH JANI

14 COLLATERAL DESCRIPTION

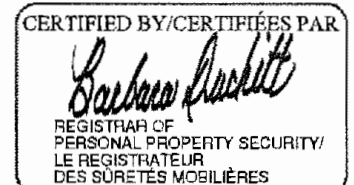
16 REGISTERING AGENT D + H LIMITED PARTNERSHIP

ADDRESS	CITY	PROV	POSTAL CODE
17	2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON L4Z 1H8

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

CONTINUED...

3



(crtfu 06/2019)

RUN NUMBER : 172
 RUN DATE : 2021/06/21
 ID : 20210621092045.96

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

REPORT : PSSR060
 PAGE : 3
 (3305)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : RJ PACKAGING INCORPORATED
 FILE CURRENCY : 20JUN 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 753463926

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 002 2 20190710 0810 1532 0495

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 NAME 24APR1975 SMIT K JANI

04 BUSINESS NAME ADDRESS 38-833 SCOLLARD CRT MISSISSAUGA ONTARIO CORPORATION NO.
 ON L5V 2B4

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

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
 09 LIEN CLAIMANT ADDRESS

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

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

13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING
 17 AGENT ADDRESS

*** 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

(crjftu 06/2019)

RUN NUMBER : 172
 RUN DATE : 2021/06/21
 ID : 20210621092845.96

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

REPORT : PSSR060
 PAGE : 4
 (3306)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : RJ PACKAGING INCORPORATED
 FILE CURRENCY : 20JUN 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 747753705

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	01	005		20190122 1034 8077 5163	P PPSA	10

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02				

DEBTOR NAME	BUSINESS NAME
03	RJ PACKAGING INCORPORATED

DEBTOR NAME	ADDRESS	CITY	PROVINCE	POSTAL CODE
04	855 MATHESON BLVD E UNIT #9	MISSISSAUGA	ON	L4W4L6

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05				

DEBTOR NAME	BUSINESS NAME
06	

DEBTOR NAME	ADDRESS
07	

SECURED PARTY / LIEN CLAIMANT	NAME
08	ROYAL BANK OF CANADA

SECURED PARTY / LIEN CLAIMANT	ADDRESS	CITY	PROVINCE	POSTAL CODE
09	300-5575 NORTH SERVICE RD	BURLINGTON	ON	L7L 6M1

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

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

GENERAL COLLATERAL DESCRIPTION	
13 14 15	AS PER MASTER LEASE AGREEMENT DATED JANUARY 21 2019 TOGETHER WITH ALL INVENTORY AND EQUIPMENT NOW OR HEREAFTER ACQUIRED BY THE DEBTOR AND FINANCED BY THE SECURED PARTY TOGETHER WITH ALL

REGISTERING AGENT	NAME
16	REGISTRY - RECOVERY INC.

REGISTERING AGENT	ADDRESS	CITY	PROVINCE	POSTAL CODE
17	1551 THE QUEENSWAY	TORONTO	ON	M8Z 1T5

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

CONTINUED... 5

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

(c)11u 06/2019)

RUN NUMBER : 172
 RUN DATE : 2021/06/21
 ID : 20210621092845.96

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

REPORT : PSSR060
 PAGE : 5
 (3307)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : RJ PACKAGING INCORPORATED
 FILE CURRENCY : 20JUN 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 747753705

CAUTION PILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	02	005		20190122 1034 8077 5163		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY / LIEN CLAIMANT

ADDRESS

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

MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.

GENERAL COLLATERAL DESCRIPTION	ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL

REGISTERING AGENT

ADDRESS

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

CONTINUED...

6

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

(c)1fu 06/2019)

RUN NUMBER : 172
 RUN DATE : 2021/06/21
 ID : 20210621092845.96

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

REPORT : PSSR060
 PAGE : 6
 (3308)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : RJ PACKAGING INCORPORATED
 FILE CURRENCY : 20JUN 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LITEN

00 FILE NUMBER
 747753705

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 03 005 20190122 1034 8077 5163

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 LITEN CLAIMANT ADDRESS

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

11 YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS
 14 COLLATERAL IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR
 15 DESCRIPTION OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL

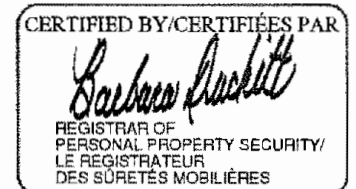
16 REGISTERING
 17 AGENT

ADDRESS

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

CONTINUED...

7



(01/10/06/2019)

RUN NUMBER : 172
 RUN DATE : 2021/06/21
 ID : 20210621092845.96

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

REPORT : FSSR060
 PAGE : 7
 (3309)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : RJ PACKAGING INCORPORATED
 FILE CURRENCY : 20JUN 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 747753705

00

01

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	04	005		20190122 1034 8077 5163		

02

03

04

05

06

07

08

09

10

11

12

13

14

15

16

17

DATE OF BIRTH

FIRST GIVEN NAME

INITIAL

SURNAME

DEBTOR
NAME

BUSINESS NAME

ADDRESS

ONTARIO CORPORATION NO.

DATE OF BIRTH

FIRST GIVEN NAME

INITIAL

SURNAME

DEBTOR
NAME

BUSINESS NAME

ADDRESS

ONTARIO CORPORATION NO.

SECURED PARTY /
LIEN CLAIMANT

ADDRESS

COLLATERAL CLASSIFICATION

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

YEAR MAKE

MODEL

V.I.N.

MOTOR
VEHICLEGENERAL
COLLATERAL
DESCRIPTION

PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND
 RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR
 COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE

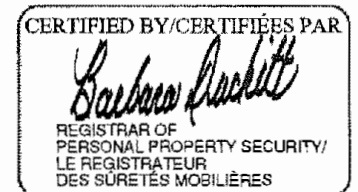
REGISTERING
AGENT

ADDRESS

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

CONTINUED...

8



(crj1fu 06/2019)

RUN NUMBER : 172
 RUN DATE : 2021/06/21
 ID : 20210621092845.96

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

REPORT : P8SR060
 PAGE : 8
 (3310)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : RJ PACKAGING INCORPORATED
 FILE CURRENCY : 20JUN 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LITEN

FILE NUMBER
 747753705

00

01

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	05	005		20190122 1034 8077 5153		

02

03

04

05

06

07

08

09

10

11

12

13

14

15

16

17

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /
 LITEN CLAIMANT

ADDRESS

COLLATERAL CLASSIFICATION

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

YEAR MAKE

MODEL

V.I.N.

GENERAL COLLATERAL.

COLLATERAL
 DESCRIPTION

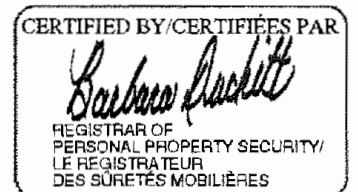
REGISTERING
 AGENT

ADDRESS

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

CONTINUED...

9



(orjifu 06/2019)

RUN NUMBER : 172
 RUN DATE : 2021/06/21
 ID : 20210621092845.96

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

REPORT : PSSR060
 PAGE : 9
 (3311)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : RJ PACKAGING INCORPORATED
 FILE CURRENCY : 20JUN 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 746861292

00

01

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	01	001		20181214 1449 1530 1540	P PPSA	5

02

03

DATE OF BIRTH

FIRST GIVEN NAME

INITIAL

SURNAME

DEBTOR
NAME

BUSINESS NAME

RJ PACKAGING INCORPORATED

04

ADDRESS

UNIT 38, 833 SCOLLARD COURT

MISSISSAUGA

ONTARIO CORPORATION NO.
ON L5V 2B4

05

06

DATE OF BIRTH

FIRST GIVEN NAME

INITIAL

SURNAME

DEBTOR
NAME

BUSINESS NAME

07

ADDRESS

ONTARIO CORPORATION NO.

08

SECURED PARTY /
LIEN CLAIMANT

ROYAL BANK OF CANADA

09

ADDRESS

36 YORK MILLS ROAD, 4TH FLOOR

TORONTO

ON M2P 0A4

10

COLLATERAL CLASSIFICATION

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

11

12

YEAR MAKE

MODEL

V.I.N.

MOTOR
VEHICLE

13

14

15

GENERAL
COLLATERAL
DESCRIPTION

16

17

REGISTERING
AGENT

CANADIAN SECURITIES REGISTRATION SYSTEMS

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

(crjfu 06/2019)

RUN NUMBER : 172
RUN DATE : 2021/06/21
ID : 20210621092845.96

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

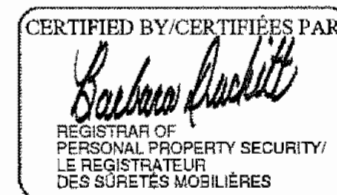
REPORT : PSSR060
PAGE : 10
(3312)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : RJ PACKAGING INCORPORATED
FILE CURRENCY : 20JUN 2021

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
753463926	20190710 0010 1532 0495			
747753705	20190122 1034 0077 5163			
746061292	20181214 1449 1530 1548			

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



(crfj5 06/2019)

This is **Exhibit "F"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.



Rachel Moses (Jul 9, 2021 11:31 EDT)
A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V

RUN NUMBER : 173
RUN DATE : 2021/06/22
ID : 20210622134145.31

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

REPORT : PSSR060
PAGE : 1
(14211)

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

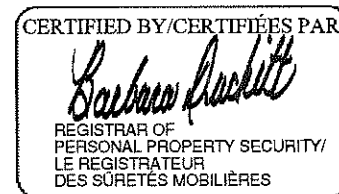
SEARCH CONDUCTED ON : CUSTOM FOOD PACKAGING

FILE CURRENCY : 21JUN 2021

ENQUIRY NUMBER 20210622134145.31 CONTAINS 1 PAGE(S), 0 FAMILY(IES).


NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

CYBERBAHN, A THOMSON REUTERS BUSINESS
333 BAY STREET, STE. 400
TORONTO ON M5H 2R2



(crj5 06/2019)

This is **Exhibit "G"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.


Rachel Moses (Jul 9, 2021 11:31 EDT)
A Commissioner for Taking Affidavits
Rachel Moses / LSO# 42081V

Shokeen, Munish

From: smit jani <smit@customfoodpackaging.ca>
Sent: Thursday, October 1, 2020 1:41 PM
To: Shokeen, Munish
Subject: Fwd: RJ Packaging - FY 2019 Financial Statements
Attachments: Aged_Payables_Summary.pdf; Balance_Sheet.pdf; Aged_Receivables_Summary.pdf; Profit_and_Loss.pdf; PSOA Smit.pdf; Smit R. Jani_Citibank_Blackrock Investments.pdf

External/External

Munish,

All docs combined in one file along with Citibank / Blackrock letter; this can be verified by RBC as needed. We will get our payout from Citi around 25th October and will be able to close all loans by or before 28th October 2020.

Thanks for your help and support.

Regards,

Smit Jani
 President
 45 Basaltic Road Unit # 1A
 Concord, Ontario L4K 1G5
 C. 647-457-7876

cc: Shokeen, Munish



----- Forwarded message -----

From: smit jani <smit@customfoodpackaging.ca>
Date: Thu, Oct 1, 2020 at 11:12 AM
Subject: Fwd: RJ Packaging - FY 2019 Financial Statements
To: Shokeen, Munish <munish@shokeen.ca>

Pls see attached



smit jani <smit@customfoodpackaging.ca>

Documents

16 messages

Ketan R <ketanr710@gmail.com>
To: smit@customfoodpackaging.ca
Cc: bpr151970@gmail.com

Wed, Nov 11, 2020 at 12:30 PM

Bonjour Smit...

Hope you are doing well...

This is in reference to our discussion regarding your documentation for the investment done by you..

In continuation to my last mail, regarding your documents, the expected date was 10th November 2020 as per the talks with the transacting bank... but I am sorry to inform you that there is a delay in the matter and now it will be completed by or before 10th December 2020...

The reason for the delay is due to the hospitalization of the Program Manager and as per the report he is expected to join the office only by 1st week of December 2020..

I am sorry for the trouble causing you due to the delay...

Will keep you posted on the matter..

Thanks and Regards...

Ketan Raghani..

UK/USA/HKG/Germany/Singapore Trade Association..

ID NO 245874 / 876567

FOREX LICENSE NO ZULGH8724 (FED APPROVED).

PRIVATE PLACEMENT PROGRAM LICENSE NO PDUCF72F4. (FED APPROVED).

(Meetings Only After Appointment)

smit jani <smit@customfoodpackaging.ca>
To: "Shokeen, Munish" <munish.shokeen@rbc.com>

Wed, Nov 11, 2020 at 12:49 PM

FYI

Your team has completed bank to bank informal verification but if you need to do formal verification via swift I am okay to pay fees

Smit

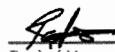
[Quoted text hidden]

--

Regards,

Smit Jani
President
45 Basaltic Road Unit # 1A
Concord, Ontario L4K 1G5
C. 647-457-7876
www.customfoodpackaging.ca

This is **Exhibit "H"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.


Rachel Moses (Jul 9, 2021 11:31 EDT)
A Commissioner for Taking Affidavits
Rachel Moses / LSO# 42081V



Via: Email

Nov 22nd 2020

RJ Packaging Incorporated
Unit 1A, 45 Basaltic Road
Concord, Ontario
L4K 1G5

Attention: Smit Jani (President) and Mitali Smit Jani (VP)

Re: Royal Bank of Canada ("the Bank")
RJ Packaging Incorporated. ("the Company") Leah's Essentials Inc. ("the Company") and Sjan
Business Management & Consulting Inc. ("the Company")

The purpose of this letter is to confirm some changes to be made in the management of your accounts.

It appears to the Bank that the Company is experiencing financial difficulties. The Bank's impression is based on:

- 1) the Company's inability to meet the covenants and conditions which form part of the Company's agreement with the Bank and the recent change in the Company's financial performance and/or conditions.

To the extent these difficulties exist, the Company's risk profile has deteriorated. In light of this the Bank requires specialized expertise to deal with your account. Accordingly, management of your account has been re-assigned to:

Special Loans and Advisory Services
Attention: Craig McInnes
20 King Street West, 2nd Floor
Toronto, Ontario
M5H 1C4

Phone: 416.727.6902

Craig will contact you directly in the near future. As Mr. McInnes now has responsibility for your account, all future enquiries and reporting requirements should be directed to his attention.


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

Any costs 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 upon request.

We remind you that your account(s) and/or loans are to continue to operate and repay as agreed and any cheques or debits presented on account(s) will be returned NSF, without notice to you, if such cheques and/or debits may cause an excess.

Please acknowledge this letter as indicated below and return a copy, by email, to Craig McInnes at craig.mcinnnes@rbc.com

Yours truly,



Munish Shokeen
Senior Commercial Account Manager

cc. Craig McInnes, Manager Special Loans & Advisory Services

We acknowledge receipt of this letter and agree to its terms.

Dated at _____ this _____ day of _____ 20

RJ Packaging Incorporated.

Per _____

Name: Smit Jani

Position: President

I have authority to bind the Company

X _____

Guarantor: _____

Mitali Smit Jani

McInnes, Craig

From: Shokeen, Munish
Sent: Monday, November 23, 2020 15:54
To: McInnes, Craig
Subject: FW: Intro Letter

Hi Craig, please see below email acknowledge for the intro letter being received.

Thanks

Munish Shokeen | Senior Manager, Manufacturing, Wholesale & Distribution, RBC Royal Bank | Royal Bank of Canada


6240 Dixie Road, Mississauga, Ontario L5T 1A6 | Transit 03326 | T. 905-564 5721 | F. 905-564 5767 | Cell 416-562 9972 | Email; munish.shokeen@rbc.com<<mailto:munish.shokeen@rbc.com>>

Associate | Cheryl D'Mello :Tel 905-792-5067 : Cheryl.dmello@rbc.com

For assistance with your Day to Day Banking Inquiries/Requests please contact the Commercial Client Service Team

New Updated GTR TEAM 2 contact info

Email: serviceteamgtr2@rbc.com Toll Free number: 1-877-664-2942 (Press 1 then Press 2 for GTR Team 2)

 please don't print this e-mail unless you really need to.

Branch Closures:

In the event of a branch closure, a notice will be posted on the branch door. To find the next closest location, simply visit maps.rbcroyalbank.com. Our **Branch locator** will also have updated information on whether your branch is open or closed.

From: smit jani [<mailto:smit@customfoodpackaging.ca>]
Sent: Monday, November 23, 2020 3:44 PM
To: Shokeen, Munish <munish.shokeen@rbc.com>
Subject: Re: Intro Letter

[External]/[Externe]

Yes received

Regards,

Smit Jani
 President
 45 Basaltic Road Unit # 1A
 Concord, Ontario L4K 1G5
 C. 647-457-7876
www.customfoodpackaging.ca



On Mon, Nov 23, 2020 at 3:42 PM Shokeen, Munish <munish.shokeen@rbc.com> wrote:

Hi Smit, please find attached introduction letter for next steps for transition of your profile to SLAS for the reason listed in the letter, please acknowledge receipt of this email.

Thanks

Munish Shokeen | Senior Manager, Manufacturing, Wholesale & Distribution, RBC Royal Bank | Royal Bank of Canada
6240 Dixie Road, Mississauga, Ontario L5T 1A6 | Transit 03326 | T. 905-564 5721 | F. 905-564 5767 | Cell 416-562 9972 | Email; munish.shokeen@rbc.com<<mailto:munish.shokeen@rbc.com>>

Associate | Cheryl D'Mello :Tel 905-792-5067 : Cheryl.dmello@rbc.com

For assistance with your Day to Day Banking Inquiries/Requests please contact the [Commercial Client Service Team](#)

New Updated GTR TEAM 2 contact info

Email: serviceteamgtr2@rbc.com Toll Free number: 1-877-664-2942 (Press 1 then Press 2 for GTR Team 2)



please don't print this e-mail unless you really need to.


Branch Closures:

In the event of a branch closure, a notice will be posted on the branch door. To find the next closest location, simply visit maps.rbcroyalbank.com. Our **Branch locator** will also have updated information on whether your branch is open or closed.

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference. You may [unsubscribe](#) from promotional emails.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future. Vous pouvez vous [désinscrire](#) de la liste d'envoi de courriels promotionnels.

This is **Exhibit "I"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.


Rachel Moses (Jul 9, 2021 11:31 EDT)
A Commissioner for Taking Affidavits
Rachel Moses / LSO# 42081V

McInnes, Craig

From: smit jani <smit@customfoodpackaging.ca>
Sent: Wednesday, December 30, 2020 10:14
To: McInnes, Craig
Subject: Re: Account, Funds

Follow Up Flag: Follow up
Due By: Thursday, January 7, 2021 16:00
Flag Status: Flagged

Categories: RJ Packaging

[External]/[Externe]

Craig

I am going to trf it myself before I come back. Money from my dads trust and Inheritance along with funds from Blackrock

Smit

On Wed, Dec 30, 2020 at 9:17 AM McInnes, Craig <craig.mcinnnes@rbc.com> wrote:

Smit,

Very sorry to hear. Please let me know when you will be back this week.

We also require an update on the incoming funds / documents as soon as possible.

Regards,

W. Craig McInnes | Manager, Special Loans & Advisory Services | **RBC Royal Bank of Canada** | [20 King Street West](#),
 2nd Floor, Toronto, ON M5H 1C4 | C: 416-727-6902 | E: craig.mcinnnes@rbc.com

From: smit jani [mailto:smit@customfoodpackaging.ca]
Sent: Tuesday, December 22, 2020 11:19 AM

To: Mcinnes, Craig <craig.mcinnes@rbc.com>

Subject: Re: Account, Funds

[External]/[Externe]

Hi Craig,

I had to make emergency trip to India due as both my parents got admitted to ICU due to Corona. I have been taking care that account doesnt get overdrawn and while I am here will ensure money gets transferred and documents are in place for you to review.

Thanks for your patience. I will reach out as soon as I am back. Next week I should know tentative dates as flights are very irregular. I am trying to get back as soon as I possibly can.

Regards,

Smit Jani

President

[45 Basaltic Road Unit # 1A](#)
[Concord, Ontario L4K 1G5](#)

C. 647-457-7876

www.customfoodpackaging.ca



On Thu, Dec 17, 2020 at 9:15 AM Mcinnes, Craig <craig.mcinnes@rbc.com> wrote:

Smit,

Please contact me regarding the account and the status of the deposit and incoming funds.

Regards,

W. Craig McInnes | Manager, Special Loans & Advisory Services | **RBC Royal Bank of Canada** | [20 King Street West,](#)
2nd Floor, Toronto, ON M5H 1C4 | C: 416-727-6902 | E: craig.mcinnnes@rbc.com

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.


--

Regards,

Smit Jani
President
45 Basaltic Road Unit # 1A
Concord, Ontario L4K 1G5
C. 647-457-7876
www.customfoodpackaging.ca



This is **Exhibit "J"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.


Rachel Moses (Jul 9, 2021 11:31 EDT)
A Commissioner for Taking Affidavits
Rachel Moses / LSO# 42081V

McInnes, Craig

From: smit jani <smit@customfoodpackaging.ca>
Sent: Sunday, January 24, 2021 21:08
To: McInnes, Craig
Subject: Account and Loan Balances

Categories: RJ Packaging [1044]

[External]/[Externe]

Hi Craig,

Thank you for your patience. I am back and in quarantine. Below is the update.

Few changes to our portfolio and business for Jan 2021. We have started protein blending to acquire larger size on on packaging side as well as introduced liquid packaging with Bravo Nutrition and Amson Global this includes incorporating liquid packaging machine as well as blenders for powders.

The trials will be starting tomorrow to ensure quality and setting machines to achieve productivity targets.

In terms of money, my inheritance and trust funds which are currently in India; I will be allowed to move this to Canadian account after year end in India which is in March. We should be in possession of more than enough funds here to repay bank loans and credit lines.

We have hired a couple of contractors to look into our internet marketing and will be revamping our marketing activities to include new additions to our portfolio.

In the meantime I will send you monthly data on our progress for February and March. Expecting to pay off all dues in April.

I sincerely thank you and team for your patience as we go through tough times and I am looking forward to continuing my relationship with the bank going forward.


Thanks again,

Regards,

Smit Jani
President
45 Basaltic Road Unit # 1A
Concord, Ontario L4K 1G5
C. 647-457-7876
www.customfoodpackaging.ca



This is **Exhibit "K"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.


Rachel Moses (Jul 9, 2021 11:31 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 4122089

NUMBER

March 4, 2021

PERSONAL & CONFIDENTIAL**VIA REGISTERED MAIL AND ORDINARY MAIL**

**AND E-MAIL (mitali.smit@gmail.com; smit@customfoodpackaging.com;
smit.jani@outlook.com; smit@leahsentials.com)**

RJ Packaging Incorporated o/a Custom
Food Packaging
833 Scollard Court, Suite 38
Mississauga ON L5V 2B4

RJ Packaging Incorporated o/a Custom
Food Packaging
1A – 45 Basaltic Road
Concord ON L4K 1G5

**Attention: Mitali Smit Jani and Smit
Ramesh Jani**

**Attention: Mitali Smit Jani and Smit
Ramesh Jani**

RJ Packaging Incorporated o/a Custom
Food Packaging
855 Matheson Boulevard East, Unit 9
Mississauga ON L4W 4L6

**Attention: Mitali Smit Jani and Smit
Ramesh Jani**

Dear Sir / Madam:

**Re: Royal Bank of Canada ("Bank") and RJ Packaging Incorporated o/a
Custom Food Packaging ("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 March 4, 2021, the Company is indebted to it in the following amounts:



1. in respect of a revolving demand facility, in the amount of \$150,092.22, comprising principal in the amount of \$150,000.00 and accrued interest to and including March 4, 2021 in the amount of \$92.22. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate plus 1.29% per annum. The per diem amount on the aforesaid principal amount, given the Bank's current prime rate, is \$15.37;
2. in respect of Visa account numbers ending in 7228, 7376 and 1327, in the total amount of \$50,581.43 as at March 4, 2021; and
3. an overdraft in the current account in the amount of \$763.39.

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 **March 15, 2021** 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 scale as between a solicitor and his/her own client.

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 **March 15, 2021** 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 your Visa card privileges in respect of account numbers ending in 7228, 7376 and 1327 will be cancelled effective as at the end of business on March



15, 2021. You will not be entitled thereafter to charge this card with any debt or obligation. Please cut all cards relating to these accounts in half and return them to us immediately.

We enclose a notice of intention to enforce security pursuant to Section 244(1) of the *Bankruptcy and Insolvency* (Canada).

If you wish to discuss this matter with us, please contact us immediately either directly or through your solicitors.

Yours truly,

MINDEN GROSS LLP

Per:


Rachel Moses

cc: W. Craig McInnes, Manager, Special Loans and Advisory Services, Royal Bank
of Canada

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)
SECTION 244**

**PERSONAL & CONFIDENTIAL
REGISTERED MAIL AND ORDINARY MAIL**

TO: RJ PACKAGING INCORPORATED O/A CUSTOM FOOD PACKAGING, 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.
 - The security that is to be enforced is in the form of a General Security Agreement dated December 21, 2018.
2. The total amount of indebtedness secured by the security as at March 4, 2021 is \$201,437.04, plus all legal and other expenses incurred by the secured creditor, which expenses are secured by the above-noted security.
3. 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 4th day of March, 2021.

ROYAL BANK OF CANADA
by its solicitors, MINDEN GROSS LLP

Per:



Rachel Moses

#46134974122089 v1

**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 4122089
 NUMBER

March 4, 2021

PERSONAL & CONFIDENTIAL

VIA REGISTERED MAIL AND ORDINARY MAIL
AND BY E-MAIL (smit@customfoodpackaging.com;
smit.jani@outlook.com; smit@leahsessentials.com)

Smit Ramesh Jani
 833 Scollard Court, Suite 38
 Mississauga ON L5V 2B4

Smit Ramesh Jani
 3357 Colonial Drive
 Mississauga ON L5L 5A7

Smit Ramesh Jani
 119 Armdale Road
 Mississauga ON L4Z 0C4

Dear Sir:

Re: Royal Bank of Canada ("Bank") and RJ Packaging Incorporated o/a Custom Food Packaging ("Company")

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

As you are aware, you 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 joint and several guarantee and postponement of claim dated December 21, 2018 limited to the sum of \$550,000.00.

As at March 4, 2021, the Company is indebted to the Bank in the following amounts:

1. in respect of a revolving demand facility, in the amount of \$150,092.22, comprising principal in the amount of \$150,000.00 and accrued interest to and including March 4, 2021 in the amount of \$92.22. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate plus 1.29% per annum. The per diem amount on the aforesaid principal amount, given the Bank's current prime rate, is \$15.37;
2. in respect of Visa account numbers ending in 7228, 7376 and 1327, in the total amount of \$50,581.43 as at March 4, 2021; and



3. an overdraft in the current account in the amount of \$763.39.

On behalf of the Bank, we hereby formally make demand upon you for the payment by no later than March 15, 2021 of all of the amounts expressed above, all interest accruing thereon and under your guarantee and postponement of claim from the date hereof 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 scale as between a solicitor and his or her own client.

In the event payment is not made as requested, the Bank shall commence such legal proceedings it is entitled to commence against 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 March 15, 2021 without further notice to 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:


Rachel Moses

cc: W. Craig McInnes, Manager, Special Loans and Advisory Services, Royal Bank of Canada

**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 4122089
 NUMBER

March 4, 2021

PERSONAL & CONFIDENTIAL

VIA REGISTERED MAIL AND ORDINARY MAIL
AND BY E-MAIL (mitali.smit@gmail.com)

Mitali Smit Jani

833 Scollard Court, Suite 38
 Mississauga ON L5V 2B4

Dear Madam:

Re: Royal Bank of Canada ("Bank") and RJ Packaging Incorporated o/a Custom Food Packaging ("Company")

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

As you are aware, you 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 joint and several guarantee and postponement of claim dated December 21, 2018 limited to the sum of \$550,000.00.

As at March 4, 2021, the Company is indebted to the Bank in the following amounts:

1. in respect of a revolving demand facility, in the amount of \$150,092.22, comprising principal in the amount of \$150,000.00 and accrued interest to and including March 4, 2021 in the amount of \$92.22. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate plus 1.29% per annum. The per diem amount on the aforesaid principal amount, given the Bank's current prime rate, is \$15.37;
2. in respect of Visa account numbers ending in 7228, 7376 and 1327, in the total amount of \$50,581.43 as at March 4, 2021; and
3. an overdraft in the current account in the amount of \$763.39.

On behalf of the Bank, we hereby formally make demand upon you for the payment by no later than March 15, 2021 of all of the amounts expressed above, all interest accruing thereon and



under your guarantee and postponement of claim from the date hereof 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 scale as between a solicitor and his or her own client.

In the event payment is not made as requested, the Bank shall commence such legal proceedings it is entitled to commence against 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 March 15, 2021 without further notice to 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:

A handwritten signature in black ink that reads 'R. Moses'.

Rachel Moses

cc: W. Craig McInnes, Manager, Special Loans and Advisory Services, Royal Bank of Canada

**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 4122089

NUMBER

March 4, 2021

PERSONAL & CONFIDENTIAL**VIA REGISTERED MAIL AND ORDINARY MAIL****Jayantkumar Nagjibhai Panchasara**

1603 – 2405 Finch Avenue West

North York ON M9M 2X2

Dear Sir or Madam:

Re: Royal Bank of Canada ("Bank") and RJ Packaging Incorporated o/a Custom Food Packaging ("Company")

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

As you are aware, you 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 joint and several guarantee and postponement of claim dated December 21, 2018 limited to the sum of \$550,000.00.

As at March 4, 2021, the Company is indebted to the Bank in the following amounts:

1. in respect of a revolving demand facility, in the amount of \$150,092.22, comprising principal in the amount of \$150,000.00 and accrued interest to and including March 4, 2021 in the amount of \$92.22. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate plus 1.29% per annum. The per diem amount on the aforesaid principal amount, given the Bank's current prime rate, is \$15.37;
2. in respect of Visa account numbers ending in 7228, 7376 and 1327, in the total amount of \$50,581.43 as at March 4, 2021; and
3. an overdraft in the current account in the amount of \$763.39.

On behalf of the Bank, we hereby formally make demand upon you for the payment by no later than March 15, 2021 of all of the amounts expressed above, all interest accruing thereon and



under your guarantee and postponement of claim from the date hereof 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 scale as between a solicitor and his or her own client.

In the event payment is not made as requested, the Bank shall commence such legal proceedings it is entitled to commence against 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 March 15, 2021 without further notice to 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

cc: W. Craig McInnes, Manager, Special Loans and Advisory Services, Royal Bank of Canada

This is **Exhibit "L"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.


Rachel Moses (Jul 9, 2021 11:31 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 4122089

NUMBER

March 17, 2021

PERSONAL & CONFIDENTIAL**VIA REGISTERED MAIL AND ORDINARY MAIL**

**AND E-MAIL (mitali.smit@gmail.com; smit@customfoodpackaging.com;
smit.jani@outlook.com; smit@leahsentials.com)**

RJ Packaging Incorporated o/a Custom
Food Packaging
833 Scollard Court, Suite 38
Mississauga ON L5V 2B4

RJ Packaging Incorporated o/a Custom
Food Packaging
1A – 45 Basaltic Road
Concord ON L4K 1G5

**Attention: Mitali Smit Jani and Smit
Ramesh Jani**

**Attention: Mitali Smit Jani and Smit
Ramesh Jani**

RJ Packaging Incorporated o/a Custom
Food Packaging
855 Matheson Boulevard East, Unit 9
Mississauga ON L4W 4L6

**Attention: Mitali Smit Jani and Smit
Ramesh Jani**

Dear Sir / Madam:

**Re: Royal Bank of Canada ("Bank") and RJ Packaging Incorporated o/a
Custom Food Packaging ("Company")**

As you are aware, we have been retained by the Bank in respect of the indebtedness owing to it by the Company

We refer to a loan agreement dated December 14, 2018 (the "**Loan Agreement**") between the Bank and the Company in respect of certain credit facilities advanced to the Company. We also refer to a Master Lease Agreement dated January 21, 2019 (the "**Master Lease Agreement**"), which governs the general lease arrangement between the Bank and the Company, together with a Commitment to Lease



Agreement (Lease No. 201000045274) dated January 21, 2019, and related Interim Funding Agreement, dated January 21, 2019 (collectively the “**Lease Agreements**”) (the “**Lease Facility**”). Under the Lease Agreements, an event of default includes failure by the Company to pay monthly interest payments. We are advised by the Bank that the Lease Facility is in arrears of interest payments for the months of February 2021 and March 2021, which default entitles the Bank to make demand for the repayment in full of the Lease Facility.

Further, as you are aware, on March 4, 2021, the Bank made demand on the Company in respect of a revolving demand facility, in the amount of \$150,092.22, in respect of Visa account numbers ending in 7228, 7376 and 1327, in the total amount of \$50,581.43, and in respect of an overdraft in the current account in the amount of \$763.39 (collectively the “**Demand Loans**”). Such failure to repay the indebtedness owing under the Demand Loans constitutes a breach of the covenant of the Company under the Loan Agreement and the Lease Agreements, which default entitles the Bank to make demand for the repayment in full of all amounts owing under the Lease Facility.

We have been advised by the Bank that as at March 17, 2021, the Company is indebted to it in the following amount:

1. in respect of the Lease Facility (lessee no. 333608982 and lease number 201000045274) in the total amount of \$363,815.73.

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 immediate payment 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 scale as between a solicitor and his/her own client.

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 without further notice to you if the Bank becomes aware of any matter which may impair its security.

We enclose a notice of intention to enforce security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

If you wish to discuss this matter with us, please contact us immediately either directly or through your lawyers.

Yours truly,

MINDEN GROSS LLP

Per:

A handwritten signature in black ink that reads 'R. Moses'.

Rachel Moses

cc: W. Craig McInnes, Manager, Special Loans and Advisory Services, Royal Bank of Canada

120

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)
SECTION 244**

**PERSONAL & CONFIDENTIAL
REGISTERED MAIL AND ORDINARY MAIL**

TO: RJ PACKAGING INCORPORATED O/A CUSTOM FOOD PACKAGING, 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.
 - all of the equipment referred to in a Leasing Schedule #201000045274 under Master Lease Agreement dated January 21, 2019.
2. The security that is to be enforced is in the form of:
 - a General Security Agreement dated December 21, 2018
 - a Master Lease Agreement dated January 21, 2019.
3. The total amount of indebtedness secured by the security as at March 17, 2021 is \$363,815.73* 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 17th day of March, 2021.

ROYAL BANK OF CANADA
by its solicitors, MINDEN GROSS LLP

Per: *R. Moses*
Rachel Moses

*In respect of the amount of indebtedness secured by the security as at March 17, 2021, the amounts of \$150,092.22 (Royal Credit Line), \$50,581.43 (Visa), and \$763.39 (overdraft), relate to the Notice of Intention to Enforce Security dated March 4, 2021 which has expired.

**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 4122089

NUMBER

March 17, 2021

PERSONAL & CONFIDENTIAL**VIA REGISTERED MAIL AND ORDINARY MAIL****AND BY E-MAIL (smit@customfoodpackaging.com;
smit.jani@outlook.com; smit@leahsessentials.com)****Smit Ramesh Jani**833 Scollard Court, Suite 38
Mississauga ON L5V 2B4**Smit Ramesh Jani**3357 Colonial Drive
Mississauga ON L5L 5A7**Smit Ramesh Jani**119 Armdale Road
Mississauga ON L4Z 0C4

Dear Sir:

Re: Royal Bank of Canada ("Bank") and RJ Packaging Incorporated o/a Custom Food Packaging ("Company")

As you are aware, you 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 December 21, 2018 limited to the sum of \$550,000.00.

We have been advised by the Bank that as at March 17, 2021, the Company is indebted to it in the following amounts:

1. in respect of the Lease Facility (lessee no. 333608982 and lease number 201000045274) in the total amount of \$363,815.73.

On behalf of the Bank, we hereby formally make demand upon you for the immediate payment of the sum of \$550,000.00 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 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 without further notice to 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

cc: W. Craig McInnes, Manager, Special Loans and Advisory Services, Royal Bank of Canada

**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 4122089
NUMBER

March 17, 2021

PERSONAL & CONFIDENTIAL**VIA REGISTERED MAIL AND ORDINARY MAIL**
AND BY E-MAIL (mitali.smit@gmail.com)**Mitali Smit Jani**

833 Scollard Court, Suite 38
Mississauga ON L5V 2B4

Dear Madam:

Re: Royal Bank of Canada ("Bank") and RJ Packaging Incorporated o/a Custom Food Packaging ("Company")

As you are aware, you 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 December 21, 2018 limited to the sum of \$550,000.00.

We have been advised by the Bank that as at March 17, 2021, the Company is indebted to it in the following amounts:

1. in respect of the Lease Facility (lessee no. 333608982 and lease number 201000045274) in the total amount of \$363,815.73.

On behalf of the Bank, we hereby formally make demand upon you for the immediate payment of the sum of \$550,000.00 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 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 without further notice to 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:

A handwritten signature in black ink that reads 'R. Moses'.

Rachel Moses

cc: W. Craig McInnes, Manager, Special Loans and Advisory Services, Royal Bank of Canada

**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 4122089

NUMBER

March 17, 2021

PERSONAL & CONFIDENTIAL**VIA REGISTERED MAIL AND ORDINARY MAIL****Jayantkumar Nagjibhai Panchasara**

1603 – 2405 Finch Avenue West

North York ON M9M 2X2

Dear Sir or Madam:

Re: Royal Bank of Canada ("Bank") and RJ Packaging Incorporated o/a Custom Food Packaging ("Company")

As you are aware, you 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 December 21, 2018 limited to the sum of \$550,000.00.

We have been advised by the Bank that as at March 17, 2021, the Company is indebted to it in the following amounts:

1. in respect of the Lease Facility (lessee no. 333608982 and lease number 201000045274) in the total amount of \$363,815.73.

On behalf of the Bank, we hereby formally make demand upon you for the immediate payment of the sum of \$550,000.00 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 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 without further notice to 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

cc: W. Craig McInnes, Manager, Special Loans and Advisory Services, Royal Bank of Canada

This is **Exhibit "M"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.



Rachel Moses (Jul 9, 2021 11:31 EDT)

A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V

From: Rachel Moses
Sent: Thursday, May 06, 2021 9:41 AM
To: 'Milad Haghani' <Milad@haghanilaw.ca>
Subject: RJ Packaging: Custom Food Packaging and RBC

Hello Milad,

The Bank is prepared to extend the sign-back deadline which expired on May 3, 2021 to 4 p.m. on May 10, 2021. There will be no further extensions. The Bank has been very accommodating to your clients since at least the fall of 2020 but the status quo cannot continue. The sign back deadline is firm. In understanding the Bank's position, we remind you of the following:

- Your clients have been promising to repay all indebtedness to the Bank since the fall of 2000;
- After providing months of accommodations, the Bank made formal demand on March 4, 2021;
- You contacted me on March 8, 2021 in respect of the demands and we subsequently discussed a forbearance by the Bank;
- On March 11, 2021 (almost two months ago), I sent you the below email which detailed the key terms of the proposed forbearance agreement, You have known since March 11, 2021 these key terms and your push back has been only in respect of the forbearance period.;
- March 17, 2021 RBC made demand on the lease facility as the indebtedness was not repaid in connection with the March 4, 2021 demands;
- On April 8, 2021 (almost one month ago), I provided you with the forbearance agreement which included all of the terms referred to in my email of March 11, 2021 with a forbearance period to May 31, 2021 and a sign-back deadline of April 21, 2021. You requested a sign-back of April 22, 2021 and a longer forbearance period to August 31, 2021;
- On April 14, 2021, I advised you that RBC will agree to extend the forbearance period to June 30, 2021 and a sign-back deadline of April 22, 2021. I provided you with the revised forbearance

agreement which only differed from the version sent on April 8 in respect of the forbearance period and the sign-back deadline;

- On April 15, 2021 you asked for a forbearance period to August 31, 2021;
- On April 28, 2021, I provided you with a revised forbearance agreement which only differed from the last version by changing the forbearance period from “June 30, 2021” to “August 31, 2021” and the sign-back date extended to May 3, 2021.

Attached is the revised and final forbearance agreement (clean and blackline) which has the sign-back deadline extended to 4 p.m. on May 10, 2021. The Bank continues to reserve all of its rights and remedies against your clients.



RACHEL MOSES

T: 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: Thursday, March 11, 2021 9:01 AM

To: 'Milad Haghani'

Cc: Lianne Campbell

Subject: RJ Packaging: Custom Food Packaging and RBC

Hello Milad,

The Bank is agreeable to a forbearance agreement with the Borrower and Guarantors on the following terms, among others, which will be formalized in a forbearance agreement:

- Forbearance fee of \$5,000.
- Forbearance period is 60 days.
- Reduction of Operating Facility and Visa by \$10,000 each month and to be applied at the Bank's discretion.
- Excess will have to be covered immediately.
- Covenant to maintain accounts only with RBC.
- Reporting on inheritance and US funds which were supposed to be utilized for a quick payout of the RBC indebtedness together with reporting on efforts to refinance;
- HST/Source Deductions: evidence must be provided at the time of execution of the Forbearance Agreement and 5 days before payout
- Consent to judgment and consent to receivership

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

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: Milad Haghani [<mailto:Milad@haghanilaw.ca>]

Sent: Tuesday, March 09, 2021 11:31 AM

To: Rachel Moses

Cc: Lianne Campbell

Subject: RE: Custom Food Packaging and RBC

WITHOUT PREJUDICE

Thanks for speaking with me earlier today, Rachel.

I've had a chance to discuss your proposal with my client. He is amenable to executing a consent judgment and consent to receivership if the timeline can be extended to 6 months. He wants to ensure that he will have the funds available. If your client is content with the extension please forward copies of the draft documents you'd like the parties to execute, along with a copy of the statement showing the total owed to date.

Thank you,

Milad Haghani
 Milad Haghani Professional Corporation o/a Haghani Law Office
 Lex Villa LLP

203-3018 New Street
 Burlington, ON
 L7N 1M5

203-27 Major Mackenzie Dr. E.
 Richmond Hill, ON
 L4C 1G6

T: 905-635-5862
 F: 905-635-5689
 C: 289-776-7480

E: milad@haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

From: Rachel Moses
Sent: March 8, 2021 5:46 PM
To: Milad Haghani
Cc: Lianne Campbell
Subject: RE: Custom Food Packaging and RBC

Hello Milad,

Thank you for your email. The demand period expires on March 15, 2021. I am available for a call tomorrow at 11 am. My cell is 647 968 5942.



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: Milad Haghani [<mailto:Milad@haghanilaw.ca>]
Sent: Monday, March 08, 2021 1:38 PM
To: Rachel Moses <RMoses@mindengross.com>
Cc: Lianne Campbell <lianne@haghanilaw.ca>
Subject: Custom Food Packaging and RBC

Good afternoon Rachel:

We are in the process of accepting a retainer by the above-noted entity which has provided us with a copy of your correspondence of March 4, 2021, attached for your reference. I am being provided with documents and aim to have my review completed as soon as possible but by no later than end of the week. Would you please let me know whether you are available for a chat some time this week? I am

available tomorrow 11 a.m. to 1 p.m. and all day on Thursday, Mar. 11. Kindly confirm that you will not taken steps against our client without prior reasonable notice.

Thank you,

Milad Haghani
Milad Haghani Professional Corporation o/a Haghani Law Office
Lex Villa LLP

203-3018 New Street
Burlington, ON
L7N 1M5

203-27 Major Mackenzie Dr. E.
Richmond Hill, ON
L4C 1G6

T: 905-635-5862
F: 905-635-5689
C: 289-776-7480
E: milad@haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

FORBEARANCE AGREEMENT

THIS AGREEMENT made as of the 6th day of April, 2021.

AMONG:

ROYAL BANK OF CANADA

(hereinafter referred to as the “**Bank**”)

- and -

RJ PACKAGING INCORPORATED O/A CUSTOM FOOD PACKAGING

(hereinafter referred to as the “**Borrower**”)

- and –

SMIT RAMESH JANI

(hereinafter referred to as “**Smit**”)

- and –

MITALI SMIT JANI

(hereinafter referred to as (“**Mitali**”)

- and –

JAYANTKUMAR NAGJIBHAI PANCHASARA

(hereinafter referred to as (“**Jayantkumar**”)

WHEREAS:

1. the Bank has made available certain Credit Facilities to the Borrower on the terms and conditions established under the Loan Agreement;
2. under the Loan Agreement, the Borrower is required to provide to the Bank certain financial reporting. The Borrower failed to comply with its financial reporting requirements;
3. In or about October 2020, the Borrower advised the Bank that it would repay the Indebtedness owing to the Bank by October 28, 2020. The Indebtedness was not repaid and the Borrower requested extensions to November 10, 2020, December 10, 2020 and early January 2021 which extensions were granted by the Bank. The Borrower had originally represented to the Bank that the Indebtedness would be repaid by funds from a USD account maintained with Citibank and subsequently by funds from an inheritance to be received in January 2021;

4. on March 4, 2021, the Bank made demand upon the Borrower for repayment of the Operating Facility, the Visa Facility and the Overdraft Facility and issued to the Borrower an NOI Notice;
5. on March 4, 2021, the Bank made demand upon each of the Guarantors in respect of the Operating Facility, the Visa Facility and the Overdraft Facility;
6. the Borrower failed to repay the Indebtedness by March 15, 2021;
7. on March 17, 2021, the Bank made demand upon the Borrower for repayment of the Lease Facility and issued to the Borrower an NOI Notice;
8. on March 17, 2021, the Bank made demand upon each of the Guarantors in respect of the Lease Facility;
9. 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 arrange for the repayment of the Indebtedness; and
10. 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 Loan Agreement. The following terms shall have the following meanings:

- (a) “**Assets**” means all of the personal property, tangible or intangible and undertakings of the Borrower in respect of which the Bank holds Security;
- (b) “**BIA**” means the *Bankruptcy and Insolvency Act* (Canada);
- (c) “**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;
- (d) “**Business Premises**” means 833 Scollard Court, Suite 38, Mississauga Ontario, L5V 2B4;

- (e) **“Credit Facilities”** means the credit facilities established by the Bank in favour of the Borrower pursuant to the Loan Agreement;
- (f) **“Operating Facility”** means facility referenced in subsection 2.01(a) herein;
- (g) **“Event of Default”** means the occurrence of any one or more of the events set forth in Article 9 of this Agreement;
- (h) **“Guarantees”** mean 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, and **“Guarantee”** means the Guarantee delivered by a Guarantor;
- (i) **“Guarantors”** means, collectively, Smit, Mitali, and Jayantkumar, and **“Guarantor”** means any one of them;
- (j) **“Indebtedness”** means the amounts set forth in sections 2.01 and 2.02 hereof;
- (k) **“Lease”** means the lease of the Business Premises;
- (l) **“Lease Facility”** means the facility referenced in 2.01(d) herein;
- (m) **“Loan Agreement”** means the Confirmation of Credit Facilities Letter dated December 14, 2018, and accepted by the Borrower on December 21, 2018, as amended, revised, restated, replaced and supplemented from time to time;
- (n) **“NOI Notice”** means a Notice of Intention to Enforce Security delivered to the Borrower by the Bank pursuant to section 244(1) of the BIA;
- (o) **“Overdraft Facility”** means the facility referenced in 2.01(c) herein;
- (p) **“Parties”** means any one or more of the parties referred to in this Agreement, as the context may require;
- (q) **“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;
- (r) **“Priority Payable Authorizations”** shall have the meaning ascribed thereto in subsection 6.01(k);
- (s) **“Priority Payables”** shall have the meaning ascribed thereto in subsection 6.01(k);
- (t) **“RBC Current Account”** means the current bank account of the Borrower maintained at the Bank as account number 03252-1047190;

- (u) **“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 Loan 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 Security listed in **Schedule “A”** and **Schedule “B”** attached hereto; and
- (v) **“Visa Facility”** means the facility referenced in subsection 2.01(b) herein.

ARTICLE 2

CREDIT FACILITIES

2.01 Acknowledgement of Indebtedness: The Borrower and Guarantors acknowledge that, as at April 7, 2021, the Borrower is indebted to the Bank:

- (a) in respect of a revolving demand facility, in the amount of \$150,615.32, comprising principal in the amount of \$150,430.35 and accrued interest to and including April 7, 2021 in the amount of \$184.97. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate plus 1.29% per annum. The per diem amount on the aforesaid principal amount, given the Bank's current prime rate, is \$15.41;
- (b) in respect of Visa account numbers ending in 7228, 7376 and 1327, in the total amount of \$48,740.05, \$7.50, and \$2,767.88 as at April 7, 2021;
- (c) an overdraft in the current account in the amount of \$763.39; and
- (d) a lease facility in the amount of \$364,584.08 as at April 7, 2021.

2.02 Interest, Etc.: The Borrower and Guarantors acknowledge that interest on the amounts set forth in section 2.01 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 Loan 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 disbursements and 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, counter-claim, 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 the right, as at the date hereof, to enforce the Security as the 10 day periods set out in the NOI Notices have expired;
- (d) the Security is, 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 Bank had the right to demand repayment of the Indebtedness and the right, as at the date hereof, to enforce the Security as the 10 day periods set out in the NOI Notices have expired;

- (c) the Indebtedness is due and owing to the Bank and the Borrower has no right or claim of set-off or any similar right or claim against the Bank in connection with the Indebtedness;
- (d) the Security is, 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 behalf of any or all of them, and are hereby estopped from asserting or causing to be asserted on behalf of any or all of them, 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 a Guarantor is in full force and effect, constitutes legal, valid and binding obligations of the Guarantor, is enforceable against the Guarantor and the Guarantor hereby waives and agrees not to assert or cause to be asserted on his behalf and is hereby estopped from asserting or causing to be asserted on his 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 Guarantor thereunder and the enforceability of same;
- (g) they consent to the Borrower entering into this Agreement;
- (h) notwithstanding the terms of the Guarantee, the Security, the Loan Agreement, this Agreement, or of any other agreement, whether written or oral, between the Bank and 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 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 AND REPAYMENT PLAN

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 August 31, 2021.

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) August 31, 2021; 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 August 31, 2021.

5.03 Forbearance Fee: A forbearance fee in the sum of \$5,000.00 (the “**Forbearance Fee**”) shall be paid to the Bank in consideration for the Bank’s agreement to forbear as set out herein and to compensate the Bank for the time and expense incurred, and to be incurred, by it in connection with the administration of the Credit Facilities during the Forbearance Period and such Forbearance Fee is deemed to have been earned by the Bank upon the execution and delivery of this Agreement. The Forbearance Fee shall be and is hereby deemed to form part of the Indebtedness, shall be secured by the Security, and shall be paid at the time of repayment of the Indebtedness.

5.04 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 Loan Agreement and cause the Indebtedness to be permanently reduced as follows:

- (a) the Borrower shall pay, contemporaneously with the execution of this Agreement, all amounts owing in respect of the Overdraft Facility, and the Borrower acknowledges that the acceptance by the Bank of such payments shall not be deemed to be, and will not constitute, an extension or renewal of the Credit Facilities;
- (b) the Borrower shall pay to the Bank on the 5th day of every month during the Forbearance Period, the amount of \$10,000.00, inclusive of interest, to reduce the Indebtedness owing under the Operating Facility and/or the Visa Facility, and the Borrower acknowledges that the acceptance by the Bank of such payments shall not be deemed to be, and will not constitute, an extension or renewal of the Credit Facilities; and
- (c) 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 RBC Current 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 5.04(a) and 5.04(b) 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, 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 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 not cause or allow the Borrower to, 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, except for salaries or wages in the ordinary course of business consistent with past practice;

- (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, 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, or provincial laws which could give rise to a claim against the Bank in priority to the Security held by the Bank against the Assets (as the case may be) (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, at the time of execution of this Agreement, and at least five (5) Business Days prior to the repayment of the Indebtedness, evidence satisfactory to the Bank, in its sole and absolute discretion (including, among other things, the RT, RC, and RP reports of the Borrower) that the Priority Payables have been paid and are current at the time of repayment of the Indebtedness;
- (m) **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;
- (n) **RBC Current 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 RBC Current Account or any other account maintained by the Borrower at the Bank and the Borrower shall only maintain accounts at the Bank;

- (o) **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;
- (p) **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 Loan Agreement, the Security and the Guarantee;
- (q) **Lease:** 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;
- (r) **Financial Reporting:** The Borrower shall honour, and the Guarantors shall cause the Borrower to honour, all financial reporting covenants contained in the Loan Agreement;
- (s) **Confirmation of Financing:** The Borrower shall, and the Guarantors shall cause the Borrower to have entered into, by no later than 12:00 p.m. on May 1, 2021, a binding and unconditional agreement to repay the Indebtedness to the Bank by May 30, 2021, and shall provide to the Bank a copy of such agreement.
- (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, or the Loan 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:** Each Guarantor shall, contemporaneously with the execution of this Agreement, execute and deliver to and in favour of the Bank a Consent to Judgment in the form attached hereto as **Schedule "C"** (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 of this Agreement, execute and deliver to and in favour of the Bank a Consent to Court-Appointed Receiver in the form attached hereto as **Schedule "D"** (the "**Consent to Appointment**"), provided that the Bank shall not be entitled to rely upon the Consent to Court-Appointed Receiver until the occurrence of an Event of Default.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES

7.01 Representations and Warranties: The Borrower and 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 corporation duly incorporated, organized and subsisting under the Federal laws of Canada;
- (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, 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 Guarantors that has not been disclosed to the Bank which constitutes an Event of Default or is likely to have a material adverse effect on the performance of their respective obligations under this Agreement, or have a material adverse effect on the Assets or the operations of the Borrower and each of such parties 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, and the Borrower is not in breach of any of its obligations or covenants thereunder.

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 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 Loan Agreement by the Borrower and/or the Guarantors;
- (b) the occurrence of any Event of Default under the Security and/or under the Loan Agreement;

- (c) any representation, warranty or statement contained herein and/or in the Security and/or in the Loan Agreement which is or proves to be untrue or incorrect;
- (d) failure to provide the Consent to Judgment and Consent to Appointment as required herein pursuant to subsections 6.01(u) and (v), respectively;
- (e) the receipt by the Bank of a demand or requirement for payment from the Canada Revenue Agency, the Province of Ontario, or any other federal, 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, 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 the Guarantors;
- (b) the Borrower shall assist, and the Guarantors covenant 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 each Guarantor hereby consents to the Bank immediately enforcing its rights under this Agreement, the Loan 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 each Guarantor 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 or any one of them, fail to execute such consent when requested to do so by the Bank, the agreement of the Borrower and/or the Guarantors to do so herein shall be deemed to constitute the irrevocable consent of the Borrower and 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" and "D" 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 and each of Smit and Mital at:

Attn: Mitali Smit Jani and Smit Ramesh Jani
 833 Scollard Court, Suite 38
 Mississauga, ON L5V 2B4
 Email: smit.jani@outlook.com & mitali.smit@gmail.com

To Jayantkumar at:

1603 – 2405 Finch Avenue West
North York, ON M9M 2X2
Attn: Jayantkumar Nagjibhai Panchasara

with respect to the Borrower and Guarantors, a courtesy copy to:

Haghani Law Office:

3018 New Street, Suite 203
Burlington, ON L7N 1M5
Attn: Milad Haghani
Tel: 905-635-5862
Email: Milad@haghanilaw.ca

To the Bank at:

20 King Street West, 2nd Floor
Toronto, ON M5H 1C4
Attn: Craig McInnes
Tel: 416-727-6902
Email: craig.mcinnnes@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 Loan 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 each of the Guarantors 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 4:00 p.m. on May 10, 2021, the Bank shall have received: (i) a copy of this Agreement executed by the Borrower and each of the Guarantors; (ii) originals of the Consent to Judgment and the Consent to Appointment; and (iii) the information required under section 6.01(m) being evidence satisfactory to the Bank, in its sole and absolute discretion (including, among other things, RT and RP reports of the Borrower) that all Priority Payables have been paid and are current as well as evidence, satisfactory to the Bank, that rent payable to the landlord is current. In the event these condition precedents to the Bank agreeing to forbear have not been satisfied, the Bank may elect to rely upon its rights and remedies under the Loan Agreement, the Security, the Guarantee or otherwise.

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: Craig McInnes

Title: Manager, Special Loans and
Advisory Services

I Have Authority to Bind the Bank

RJ PACKAGING INCORPORATED

Per: _____

Name:

Title:

Per: _____

Name:

Title:

I/We Have Authority to Bind the Corporation

WITNESS

SMIT RAMESH JANI

WITNESS

MITALI SMIT JANI

WITNESS

**JAYANTKUMAR NAGJIBHAI
PANCHASARA**

SCHEDULE "A"
SECURITY

1. General Security Agreement (Form 924) dated December 21, 2018, executed and delivered to and in favour of the Bank by RJ Packaging Incorporated.
2. A Postponement and Assignment of Claim (Form 918) dated December 21, 2018, executed and delivered to and in favour of the Bank by Smit Ramesh Jani.
3. A Postponement and Assignment of Claim (Form 918) dated December 21, 2018, executed and delivered to and in favour of the Bank by Mitali Smit Jani.
4. A Postponement and Assignment of Claim (Form 918) dated December 21, 2018, executed and delivered to and in favour of the Bank by Jayantkumar Nagjibhai Panchasara.

SCHEDULE "B"
GUARANTEE AND POSTPONEMENT OF CLAIM

1. A joint and several Guarantee and Postponement of Claim (Form 812) in the amount of \$550,000.00, dated December 21, 2018, executed and delivered to and in favour of the Bank by each of Smit Ramesh Jani, Mitali Smit Jani, and Jayantkumar Nagjibhai Panchasara.

SCHEDULE "C"

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

**SMIT RAMESH JANI, MITALI SMIT JANI,
and JAYANTKUMAR NAGJIBHAI PANCHASARA**

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 day of March, 2021.

 Witness

SMIT RAMESH JANI

 Witness

MITALI SMIT JANI

 Witness

**JAYANTKUMAR NAGJIBHAI
PANCHASARA**

Schedule A

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE	)	DAY, THE	DAY
)		
JUSTICE	)	OF	202

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

**SMIT RAMESH JANI, MITALI SMIT JANI,
and JAYANTKUMAR NAGJIBHAI PANCHASARA**

Defendants

JUDGMENT

THIS MOTION, made by the plaintiff, Royal Bank of Canada (“**RBC**”), without notice, for consent judgment against the defendants, Smit Ramesh Jani (“**Smit**”), Mitali Smit Jani (“**Mitali**”), and Jayantkumar Nagjibhai Panchasara (“**Jayantkumar**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the notice of motion, including an affidavit of verification, and the consent of the parties, filed,

1. **IT IS ORDERED AND ADJUDGED** that the defendants, Smit, Mitali, and Jayantkumar shall pay to the plaintiff, RBC, the sum of \$ _____ in respect of their joint and several guarantee limited to the principal amount of \$550,000 and dated December 21, 2018, in respect of the debts, liabilities and obligations of RJ Packaging Incorporated.

2. **IT IS ORDERED AND ADJUDGED** that the defendants, RJ Packaging, Smit, Mitali, and Jayantkumar 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 defendants, Smit, Mitali, and Jayantkumar, 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.

(b) On the costs of \$ _____ as set out in above paragraph 2 payable by the defendants, Smit, Mitali, and Jayantkumar, to RBC at the rate of 5.00% per annum from the date of judgment.

SCHEDULE “D”**CONSENT TO RECEIVER**

TO: **Royal Bank of Canada (the “Lender”)**

AND TO: **Its solicitors, Minden Gross LLP**

RJ Packaging Incorporated. (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 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 an interim receiver, 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 day of March, 2021.

RJ PACKAGING INCORPORATED

By: _____

Name:

Title:

I have authority to bind the corporation.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEEKDAY, THE #
)	
JUSTICE	)	DAY OF MONTH, 20YR

ROYAL BANK OF CANADA¹

Plaintiff

- and -

RJ PACKAGING INCORPORATED

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 RJ Packaging Incorporated (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 [NAME] sworn [DATE] and the Exhibits thereto and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME]

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.

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;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

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

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*

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;

Civil Procedure and may be granted in appropriate circumstances.

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

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

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".

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/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'.
.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor'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:

FORBEARANCE AGREEMENT

THIS AGREEMENT made as of the 6th day of April, 2021.

AMONG:

ROYAL BANK OF CANADA

(hereinafter referred to as the “**Bank**”)

- and -

RJ PACKAGING INCORPORATED O/A CUSTOM FOOD PACKAGING

(hereinafter referred to as the “**Borrower**”)

- and –

SMIT RAMESH JANI

(hereinafter referred to as “**Smit**”)

- and –

MITALI SMIT JANI

(hereinafter referred to as (“**Mitali**”)

- and –

JAYANTKUMAR NAGJIBHAI PANCHASARA

(hereinafter referred to as (“**Jayantkumar**”)

WHEREAS:

1. the Bank has made available certain Credit Facilities to the Borrower on the terms and conditions established under the Loan Agreement;
2. under the Loan Agreement, the Borrower is required to provide to the Bank certain financial reporting. The Borrower failed to comply with its financial reporting requirements;
3. In or about October 2020, the Borrower advised the Bank that it would repay the Indebtedness owing to the Bank by October 28, 2020. The Indebtedness was not repaid and the Borrower requested extensions to November 10, 2020, December 10, 2020 and early January 2021 which extensions were granted by the Bank. The Borrower had originally represented to the Bank that the Indebtedness would be repaid by funds from a USD account maintained with Citibank and subsequently by funds from an inheritance to be received in January 2021;

4. on March 4, 2021, the Bank made demand upon the Borrower for repayment of the Operating Facility, the Visa Facility and the Overdraft Facility and issued to the Borrower an NOI Notice;
5. on March 4, 2021, the Bank made demand upon each of the Guarantors in respect of the Operating Facility, the Visa Facility and the Overdraft Facility;
6. the Borrower failed to repay the Indebtedness by March 15, 2021;
7. on March 17, 2021, the Bank made demand upon the Borrower for repayment of the Lease Facility and issued to the Borrower an NOI Notice;
8. on March 17, 2021, the Bank made demand upon each of the Guarantors in respect of the Lease Facility;
9. 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 arrange for the repayment of the Indebtedness; and
10. 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 Loan Agreement. The following terms shall have the following meanings:

- (a) **“Assets”** means all of the personal property, tangible or intangible and undertakings of the Borrower in respect of which the Bank holds Security;
- (b) **“BIA”** means the *Bankruptcy and Insolvency Act* (Canada);
- (c) **“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;
- (d) **“Business Premises”** means 833 Scollard Court, Suite 38, Mississauga Ontario, L5V 2B4;

- (e) **“Credit Facilities”** means the credit facilities established by the Bank in favour of the Borrower pursuant to the Loan Agreement;
- (f) **“Operating Facility”** means facility referenced in subsection 2.01(a) herein;
- (g) **“Event of Default”** means the occurrence of any one or more of the events set forth in Article 9 of this Agreement;
- (h) **“Guarantees”** mean 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, and **“Guarantee”** means the Guarantee delivered by a Guarantor;
- (i) **“Guarantors”** means, collectively, Smit, Mitali, and Jayantkumar, and **“Guarantor”** means any one of them;
- (j) **“Indebtedness”** means the amounts set forth in sections 2.01 and 2.02 hereof;
- (k) **“Lease”** means the lease of the Business Premises;
- (l) **“Lease Facility”** means the facility referenced in 2.01(d) herein;
- (m) **“Loan Agreement”** means the Confirmation of Credit Facilities Letter dated December 14, 2018, and accepted by the Borrower on December 21, 2018, as amended, revised, restated, replaced and supplemented from time to time;
- (n) **“NOI Notice”** means a Notice of Intention to Enforce Security delivered to the Borrower by the Bank pursuant to section 244(1) of the BIA;
- (o) **“Overdraft Facility”** means the facility referenced in 2.01(c) herein;
- (p) **“Parties”** means any one or more of the parties referred to in this Agreement, as the context may require;
- (q) **“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;
- (r) **“Priority Payable Authorizations”** shall have the meaning ascribed thereto in subsection 6.01(k);
- (s) **“Priority Payables”** shall have the meaning ascribed thereto in subsection 6.01(k);
- (t) **“RBC Current Account”** means the current bank account of the Borrower maintained at the Bank as account number 03252-1047190;

- (u) **"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 Loan 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 Security listed in **Schedule "A"** and **Schedule "B"** attached hereto; and
- (v) **"Visa Facility"** means the facility referenced in subsection 2.01(b) herein.

ARTICLE 2

CREDIT FACILITIES

2.01 Acknowledgement of Indebtedness: The Borrower and Guarantors acknowledge that, as at April 7, 2021, the Borrower is indebted to the Bank:

- (a) in respect of a revolving demand facility, in the amount of \$150,615.32, comprising principal in the amount of \$150,430.35 and accrued interest to and including April 7, 2021 in the amount of \$184.97. Interest continues to accrue on the aforesaid principal amount at the Bank's prime rate plus 1.29% per annum. The per diem amount on the aforesaid principal amount, given the Bank's current prime rate, is \$15.41;
- (b) in respect of Visa account numbers ending in 7228, 7376 and 1327, in the total amount of \$48,740.05, \$7.50, and \$2,767.88 as at April 7, 2021;
- (c) an overdraft in the current account in the amount of \$763.39; and
- (d) a lease facility in the amount of \$364,584.08 as at April 7, 2021.

2.02 Interest, Etc.: The Borrower and Guarantors acknowledge that interest on the amounts set forth in section 2.01 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 Loan 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 disbursements and 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, counter-claim, 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 the right, as at the date hereof, to enforce the Security as the 10 day periods set out in the NOI Notices have expired;
- (d) the Security is, 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 Bank had the right to demand repayment of the Indebtedness and the right, as at the date hereof, to enforce the Security as the 10 day periods set out in the NOI Notices have expired;

- (c) the Indebtedness is due and owing to the Bank and the Borrower has no right or claim of set-off or any similar right or claim against the Bank in connection with the Indebtedness;
- (d) the Security is, 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 behalf of any or all of them, and are hereby estopped from asserting or causing to be asserted on behalf of any or all of them, 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 a Guarantor is in full force and effect, constitutes legal, valid and binding obligations of the Guarantor, is enforceable against the Guarantor and the Guarantor hereby waives and agrees not to assert or cause to be asserted on his behalf and is hereby estopped from asserting or causing to be asserted on his 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 Guarantor thereunder and the enforceability of same;
- (g) they consent to the Borrower entering into this Agreement;
- (h) notwithstanding the terms of the Guarantee, the Security, the Loan Agreement, this Agreement, or of any other agreement, whether written or oral, between the Bank and 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 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 AND REPAYMENT PLAN

- 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 August 31, 2021.
- 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) August 31, 2021; 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 August 31, 2021.

- 5.03 Forbearance Fee:** A forbearance fee in the sum of \$5,000.00 (the “**Forbearance Fee**”) shall be paid to the Bank in consideration for the Bank’s agreement to forbear as set out herein and to compensate the Bank for the time and expense incurred, and to be incurred, by it in connection with the administration of the Credit Facilities during the Forbearance Period and such Forbearance Fee is deemed to have been earned by the Bank upon the execution and delivery of this Agreement. The Forbearance Fee shall be and is hereby deemed to form part of the Indebtedness, shall be secured by the Security, and shall be paid at the time of repayment of the Indebtedness.
- 5.04 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 Loan Agreement and cause the Indebtedness to be permanently reduced as follows:

- (a) the Borrower shall pay, contemporaneously with the execution of this Agreement, all amounts owing in respect of the Overdraft Facility, and the Borrower acknowledges that the acceptance by the Bank of such payments shall not be deemed to be, and will not constitute, an extension or renewal of the Credit Facilities;
- (b) the Borrower shall pay to the Bank on the 5th day of every month during the Forbearance Period, the amount of \$10,000.00, inclusive of interest, to reduce the Indebtedness owing under the Operating Facility and/or the Visa Facility, and the Borrower acknowledges that the acceptance by the Bank of such payments shall not be deemed to be, and will not constitute, an extension or renewal of the Credit Facilities; and
- (c) 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 RBC Current 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 5.04(a) and 5.04(b) 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, 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 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 not cause or allow the Borrower to, 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, except for salaries or wages in the ordinary course of business consistent with past practice;
- (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, 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, or provincial laws which could give rise to a claim against the Bank in priority to the Security held by the Bank against the Assets (as the case may be) (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, at the time of execution of this Agreement, and at least five (5) Business Days prior to the repayment of the Indebtedness, evidence satisfactory to the Bank, in its sole and absolute discretion (including, among other things, the RT, RC, and RP reports of the Borrower) that the Priority Payables have been paid and are current at the time of repayment of the Indebtedness;
- (m) **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;

- (n) **RBC Current 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 RBC Current Account or any other account maintained by the Borrower at the Bank and the Borrower shall only maintain accounts at the Bank;
- (o) **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;
- (p) **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 Loan Agreement, the Security and the Guarantee;
- (q) **Lease:** 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;
- (r) **Financial Reporting:** The Borrower shall honour, and the Guarantors shall cause the Borrower to honour, all financial reporting covenants contained in the Loan Agreement;
- (s) **Confirmation of Financing:** The Borrower shall, and the Guarantors shall cause the Borrower to have entered into, by no later than 12:00 p.m. on May 1, 2021, a binding and unconditional agreement to repay the Indebtedness to the Bank by May 30, 2021, and shall provide to the Bank a copy of such agreement.
- (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, or the Loan 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:** Each Guarantor shall, contemporaneously with the execution of this Agreement, execute and deliver to and in favour of the Bank a Consent to Judgment in the form attached hereto as **Schedule “C”** (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 of this Agreement, execute and deliver to and in favour of the Bank a Consent to Court-Appointed Receiver in the form attached hereto as **Schedule “D”** (the “**Consent to Appointment**”), provided that the Bank shall not be entitled to rely upon the Consent to Court-Appointed Receiver until the occurrence of an Event of Default.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES

7.01 Representations and Warranties: The Borrower and 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 corporation duly incorporated, organized and subsisting under the Federal laws of Canada;
- (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, 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 Guarantors that has not been disclosed to the Bank which constitutes an Event of Default or is likely to have a material adverse effect on the performance of their respective obligations under this Agreement, or have a material adverse effect on the Assets or the operations of the Borrower and each of such parties 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, and the Borrower is not in breach of any of its obligations or covenants thereunder.

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 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 Loan Agreement by the Borrower and/or the Guarantors;
- (b) the occurrence of any Event of Default under the Security and/or under the Loan Agreement;
- (c) any representation, warranty or statement contained herein and/or in the Security and/or in the Loan Agreement which is or proves to be untrue or incorrect;
- (d) failure to provide the Consent to Judgment and Consent to Appointment as required herein pursuant to subsections 6.01(u) and (v), respectively;
- (e) the receipt by the Bank of a demand or requirement for payment from the Canada Revenue Agency, the Province of Ontario, or any other federal, 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, 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 the Guarantors;
- (b) the Borrower shall assist, and the Guarantors covenant 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 each Guarantor hereby consents to the Bank immediately enforcing its rights under this Agreement, the Loan 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 each Guarantor 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 or any one of them, fail to execute such consent when requested to do so by the Bank, the agreement of the Borrower and/or the Guarantors to do so herein shall be deemed to constitute the irrevocable consent of the Borrower and 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" and "D" 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 and each of Smit and Mital at:

Attn: Mitali Smit Jani and Smit Ramesh Jani

833 Scollard Court, Suite 38
 Mississauga, ON L5V 2B4
 Email: smit.jani@outlook.com & mitali.smit@gmail.com

To Jayantkumar at:

1603 – 2405 Finch Avenue West
 North York, ON M9M 2X2
 Attn: Jayantkumar Nagjibhai Panchasara

with respect to the Borrower and Guarantors, a courtesy copy to:

Haghani Law Office:

3018 New Street, Suite 203
 Burlington, ON L7N 1M5
 Attn: Milad Haghani
 Tel: 905-635-5862
 Email: Milad@haghanilaw.ca

To the Bank at:

20 King Street West, 2nd Floor
 Toronto, ON M5H 1C4
 Attn: Craig McInnes
 Tel: 416-727-6902
 Email: craig.mcinnnes@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 Loan 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 each of the Guarantors 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 4:00 p.m. on May 3, 2021, the Bank shall have received: (i) a copy of this Agreement executed by the Borrower and each of the Guarantors; (ii) originals of the Consent to Judgment and the Consent to Appointment; and (iii) the information required under section 6.01(m) being evidence satisfactory to the Bank, in its sole and absolute discretion (including, among other things, RT and

RP reports of the Borrower) that all Priority Payables have been paid and are current as well as evidence, satisfactory to the Bank, that rent payable to the landlord is current. In the event these condition precedents to the Bank agreeing to forbear have not been satisfied, the Bank may elect to rely upon its rights and remedies under the Loan Agreement, the Security, the Guarantee or otherwise.

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: Craig McInnes
 Title: Manager, Special Loans and
 Advisory Services

I Have Authority to Bind the Bank

RJ PACKAGING INCORPORATED

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

I/We Have Authority to Bind the Corporation

 WITNESS

SMIT RAMESH JANI

 WITNESS

MITALI SMIT JANI

 WITNESS

**JAYANTKUMAR NAGJIBHAI
 PANCHASARA**

SCHEDULE "A"
SECURITY

1. General Security Agreement (Form 924) dated December 21, 2018, executed and delivered to and in favour of the Bank by RJ Packaging Incorporated.
2. A Postponement and Assignment of Claim (Form 918) dated December 21, 2018, executed and delivered to and in favour of the Bank by Smit Ramesh Jani.
3. A Postponement and Assignment of Claim (Form 918) dated December 21, 2018, executed and delivered to and in favour of the Bank by Mitali Smit Jani.
4. A Postponement and Assignment of Claim (Form 918) dated December 21, 2018, executed and delivered to and in favour of the Bank by Jayantkumar Nagjibhai Panchasara.

SCHEDULE “B”
GUARANTEE AND POSTPONEMENT OF CLAIM

1. A joint and several Guarantee and Postponement of Claim (Form 812) in the amount of \$550,000.00, dated December 21, 2018, executed and delivered to and in favour of the Bank by each of Smit Ramesh Jani, Mitali Smit Jani, and Jayantkumar Nagjibhai Panchasara.

SCHEDULE "C"

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

**SMIT RAMESH JANI, MITALI SMIT JANI,
and JAYANTKUMAR NAGJIBHAI PANCHASARA**

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 day of March, 2021.

 Witness

SMIT RAMESH JANI

 Witness

MITALI SMIT JANI

 Witness

**JAYANTKUMAR NAGJIBHAI
PANCHASARA**

Schedule A

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE	)	DAY, THE	DAY
)		
JUSTICE	)	OF	202

B E T W E E N:

ROYAL BANK OF CANADA

Plaintiff

and

**SMIT RAMESH JANI, MITALI SMIT JANI,
and JAYANTKUMAR NAGJIBHAI PANCHASARA**

Defendants

JUDGMENT

THIS MOTION, made by the plaintiff, Royal Bank of Canada ("**RBC**"), without notice, for consent judgment against the defendants, Smit Ramesh Jani ("**Smit**"), Mitali Smit Jani ("**Mitali**"), and Jayantkumar Nagjibhai Panchasara ("**Jayantkumar**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the notice of motion, including an affidavit of verification, and the consent of the parties, filed,

1. **IT IS ORDERED AND ADJUDGED** that the defendants, Smit, Mitali, and Jayantkumar shall pay to the plaintiff, RBC, the sum of \$ _____ in respect of their joint and several guarantee limited to the principal amount of \$550,000 and dated December 21, 2018, in respect of the debts, liabilities and obligations of RJ Packaging Incorporated.

2. **IT IS ORDERED AND ADJUDGED** that the defendants, RJ Packaging, Smit, Mitali, and Jayantkumar 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 defendants, Smit, Mitali, and Jayantkumar, 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.

(b) On the costs of \$ _____ as set out in above paragraph 2 payable by the defendants, Smit, Mitali, and Jayantkumar, to RBC at the rate of 5.00% per annum from the date of judgment.

SCHEDULE "D"**CONSENT TO RECEIVER**

TO: Royal Bank of Canada (the "Lender")

AND TO: Its solicitors, Minden Gross LLP

RJ Packaging Incorporated. (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 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 an interim receiver, 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 day of March, 2021.

RJ PACKAGING INCORPORATED

By: _____

Name:

Title:

I have authority to bind the corporation.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEEKDAY, THE #
)	
JUSTICE	)	DAY OF MONTH, 20YR

ROYAL BANK OF CANADA¹

Plaintiff

- and -

RJ PACKAGING INCORPORATED

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 RJ Packaging Incorporated (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 [NAME] sworn [DATE] and the Exhibits thereto and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME]

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".

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;
- (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

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.

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;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario

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.

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;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

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.

- (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

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

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".

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/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<@>’.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor'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:

Document comparison by Workshare Compare on Thursday, May 06, 2021
9:36:45 AM

Input:	
Document 1 ID	PowerDocs://DOCS1/4629816/5
Description	DOCS1-#4629816-v5-Forbearance_Agreement
Document 2 ID	PowerDocs://DOCS1/4629816/6
Description	DOCS1-#4629816-v6-Forbearance_Agreement
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	3
Deletions	2
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	5

From: [Milad Haghani](#)
To: [Rachel Moses](#)
Cc: [Lianne Campbell](#)
Subject: Custom Food Packaging and RBC
Date: Monday, March 08, 2021 1:37:54 PM
Attachments: [From Minden Gross, Notice of Intention to Enforce Security, Mar. 4, 2021.PDF](#)

Good afternoon Rachel:

We are in the process of accepting a retainer by the above-noted entity which has provided us with a copy of your correspondence of March 4, 2021, attached for your reference. I am being provided with documents and aim to have my review completed as soon as possible but by no later than end of the week. Would you please let me know whether you are available for a chat some time this week? I am available tomorrow 11 a.m. to 1 p.m. and all day on Thursday, Mar. 11. Kindly confirm that you will not taken steps against our client without prior reasonable notice.

Thank you,

Milad Haghani

Milad Haghani Professional Corporation o/a Haghani Law Office

Lex Villa LLP

203-3018 New Street

Burlington, ON

L7N 1M5

203-27 Major Mackenzie Dr. E.

Richmond Hill, ON

L4C 1G6

T: 905-635-5862

F: 905-635-5689

C: 289-776-7480

E: milad@haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

From: [Rachel Moses](#)
To: ["Milad Haghani"](#)
Cc: [Lianne Campbell](#)
Subject: RJ Packaging: Custom Food Packaging and RBC
Date: Thursday, March 11, 2021 9:01:23 AM

Hello Milad,

The Bank is agreeable to a forbearance agreement with the Borrower and Guarantors on the following terms, among others, which will be formalized in a forbearance agreement:

- Forbearance fee of \$5,000.
- Forbearance period is 60 days.
- Reduction of Operating Facility and Visa by \$10,000 each month and to be applied at the Bank's discretion.
- Excess will have to be covered immediately.
- Covenant to maintain accounts only with RBC.
- Reporting on inheritance and US funds which were supposed to be utilized for a quick payout of the RBC indebtedness together with reporting on efforts to refinance;
- HST/Source Deductions: evidence must be provided at the time of execution of the Forbearance Agreement and 5 days before payout
- Consent to judgment and consent to receivership

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
 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: Milad Haghani [mailto:Milad@haghanilaw.ca]

Sent: Tuesday, March 09, 2021 11:31 AM

To: Rachel Moses

Cc: Lianne Campbell

Subject: RE: Custom Food Packaging and RBC

WITHOUT PREJUDICE

Thanks for speaking with me earlier today, Rachel.

I've had a chance to discuss your proposal with my client. He is amenable to executing a consent judgment and consent to receivership if the timeline can be extended to 6 months. He wants to ensure that he will have the funds available. If your client is content with the extension please forward copies of the draft documents you'd like the parties to execute, along with a copy of the statement showing the total owed to date.

Thank you,

Milad Haghani

Milad Haghani Professional Corporation o/a Haghani Law Office

Lex Villa LLP
 203-3018 New Street
 Burlington, ON
 L7N 1M5
 203-27 Major Mackenzie Dr. E.
 Richmond Hill, ON
 L4C 1G6
 T: 905-635-5862
 F: 905-635-5689
 C: 289-776-7480

E: milad@haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

From: Rachel Moses

Sent: March 8, 2021 5:46 PM

To: Milad Haghani

Cc: Lianne Campbell

Subject: RE: Custom Food Packaging and RBC

Hello Milad,

Thank you for your email. The demand period expires on March 15, 2021. I am available for a call tomorrow at 11 am. My cell is 647 968 5942.



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: Milad Haghani [<mailto:Milad@haghanilaw.ca>]

Sent: Monday, March 08, 2021 1:38 PM

To: Rachel Moses <RMoses@mindengross.com>

Cc: Lianne Campbell <lianne@haghanilaw.ca>

Subject: Custom Food Packaging and RBC

Good afternoon Rachel:

We are in the process of accepting a retainer by the above-noted entity which has provided us with a copy of your correspondence of March 4, 2021, attached for your reference. I am being provided with

documents and aim to have my review completed as soon as possible but by no later than end of the week. Would you please let me know whether you are available for a chat some time this week? I am available tomorrow 11 a.m. to 1 p.m. and all day on Thursday, Mar. 11. Kindly confirm that you will not taken steps against our client without prior reasonable notice.

Thank you,

Milad Haghani

Milad Haghani Professional Corporation o/a Haghani Law Office

Lex Villa LLP

203-3018 New Street

Burlington, ON

L7N 1M5

203-27 Major Mackenzie Dr. E.

Richmond Hill, ON

L4C 1G6

T: 905-635-5862

F: 905-635-5689

C: 289-776-7480

E: milad@haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

From: [Rachel Moses](#)
To: ["Milad Haghani"](#)
Subject: Forbearance Agreement - RJ Packaging Incorporated o/a Custom Food Packaging
Date: Thursday, April 08, 2021 10:47:43 AM
Attachments: [DOCS1-#4669329-v1-Forbearance Agreement - RJ Packaging Incorporated.PDF](#)

Hello Milad,

Please find attached for your review the forbearance agreement which requires, among other things, repayment of the indebtedness by **May 31, 2021**. Note: the sign back date (**4 pm on April 21, 2021**) and deliverables is set out in section 11.14. Please confirm that you are acting for the Borrower and all guarantors.



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](#)
To: ["Milad Haghani"](#)
Cc: [Lianne Campbell](#)
Subject: RE: Forbearance Agreement - RJ Packaging Incorporated o/a Custom Food Packaging
Date: Wednesday, April 14, 2021 2:25:16 PM

Hello Milad,

I just left you a voice message. In response to your email below and the execution of the forbearance agreement, please be advised:

- RBC is agreeable to a sign-back deadline of April 22, 2021;
- RBC is agreeable to change the forbearance period to June 30, 2021 (currently May 31, 2021)

We have not received any response from Smit's wife or from the other guarantor Jayantkumar. Could you kindly have your clients provide us with the contact information for these guarantors. As you are aware, they are parties to the forbearance agreement and need to be contacted. Please provide their contact details before the end of this week. Thank you



RACHEL MOSES

T: 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: Milad Haghani [mailto:Milad@haghanilaw.ca]

Sent: Friday, April 09, 2021 3:09 PM

To: Rachel Moses

Cc: Lianne Campbell

Subject: RE: Forbearance Agreement - RJ Packaging Incorporated o/a Custom Food Packaging

Good afternoon Rachel:

Would you kindly copy Lianne to all correspondence.

At the moment I do not act for any one other than Smit Jani and the corporation. That may change in the near future and if and when it does I will advise.

Further to my email correspondence of March 12, 2021 and our subsequent telephone conversation please confirm that your client will allow no less than 14 calendar days from the date that the Forbearance Agreement is made available to us, for my client to conduct preliminary discussions and execute. That takes us to April 22, 2021, not Apr. 21. Please confirm.

I also confirm that in our telephone conversation we had agreed that your client will allow for a period of 4 months from the time of execution for repayment. As I said before in my email of Mar. 12, 2021 any earlier timeline is simply unrealistic. The May 31, 2021 date is even less than the 60 days your client had proposed in early March as evidenced in your email of Mar. 11, 2021.

Please confirm the issue of dates and I will then go through the agreement with my clients.

Thanks,

Milad Haghani

Milad Haghani Professional Corporation o/a Haghani Law Office

Lex Villa LLP

203-3018 New Street
 Burlington, ON
 L7N 1M5
 203-27 Major Mackenzie Dr. E.
 Richmond Hill, ON
 L4C 1G6
 T: 905-635-5862
 F: 905-635-5689
 C: 289-776-7480
 E: milad@haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

From: Rachel Moses

Sent: April 8, 2021 10:48 AM

To: Milad Haghani

Subject: Forbearance Agreement - RJ Packaging Incorporated o/a Custom Food Packaging

Hello Milad,

Please find attached for your review the forbearance agreement which requires, among other things, repayment of the indebtedness by **May 31, 2021**. Note: the sign back date (**4 pm on April 21, 2021**) and deliverables is set out in section 11.14. Please confirm that you are acting for the Borrower and all guarantors.



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: [Milad Haghani](#)
To: [Rachel Moses](#)
Cc: [Lianne Campbell](#)
Subject: RE: Forbearance Agreement - RJ Packaging Incorporated o/a Custom Food Packaging
Date: Thursday, April 15, 2021 11:48:38 AM

Good morning Rachel:

I have brought the changes in forbearance period to the attention of my client. As advised previously on several occasions my client does not believe it is realistic to expect a return of funds from the borrowers until at least August 31, 2021.

I have now been retained to act on behalf of Mitali Smit and am in the process of accepting a retainer on behalf of Jayantkumar. I will keep you posted in this respect.

Best,

Milad Haghani

Milad Haghani Professional Corporation o/a Haghani Law Office

Lex Villa LLP

203-3018 New Street

Burlington, ON

L7N 1M5

203-27 Major Mackenzie Dr. E.

Richmond Hill, ON

L4C 1G6

T: 905-635-5862

F: 905-635-5689

C: 289-776-7480

E: milad@haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

From: Rachel Moses

Sent: April 14, 2021 2:25 PM

To: Milad Haghani

Cc: Lianne Campbell

Subject: RE: Forbearance Agreement - RJ Packaging Incorporated o/a Custom Food Packaging

Hello Milad,

I just left you a voice message. In response to your email below and the execution of the forbearance agreement, please be advised:

- RBC is agreeable to a sign-back deadline of April 22, 2021;
- RBC is agreeable to change the forbearance period to June 30, 2021 (currently May 31, 2021)

We have not received any response from Smit's wife or from the other guarantor Jayantkumar. Could you kindly have your clients provide us with the contact information for these guarantors. As you are aware, they are parties to the forbearance agreement and need to be contacted. Please provide their contact details before the end of this week. Thank you



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: Milad Haghani [<mailto:Milad@haghanilaw.ca>]

Sent: Friday, April 09, 2021 3:09 PM

To: Rachel Moses <RMoses@mindengross.com>

Cc: Lianne Campbell <lianne@haghanilaw.ca>

Subject: RE: Forbearance Agreement - RJ Packaging Incorporated o/a Custom Food Packaging

Good afternoon Rachel:

Would you kindly copy Lianne to all correspondence.

At the moment I do not act for any one other than Smit Jani and the corporation. That may change in the near future and if and when it does I will advise.

Further to my email correspondence of March 12, 2021 and our subsequent telephone conversation please confirm that your client will allow no less than 14 calendar days from the date that the Forbearance Agreement is made available to us, for my client to conduct preliminary discussions and execute. That takes us to April 22, 2021, not Apr. 21. Please confirm.

I also confirm that in our telephone conversation we had agreed that your client will allow for a period of 4 months from the time of execution for repayment. As I said before in my email of Mar. 12, 2021 any earlier timeline is simply unrealistic. The May 31, 2021 date is even less than the 60 days your client had proposed in early March as evidenced in your email of Mar. 11, 2021.

Please confirm the issue of dates and I will then go through the agreement with my clients.

Thanks,

Milad Haghani

Milad Haghani Professional Corporation o/a Haghani Law Office

Lex Villa LLP

203-3018 New Street

Burlington, ON

L7N 1M5

203-27 Major Mackenzie Dr. E.

Richmond Hill, ON

L4C 1G6

T: 905-635-5862

F: 905-635-5689

C: 289-776-7480

E: milad@haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please

notify me immediately by reply e-mail and delete this message and all of its attachments.

From: Rachel Moses

Sent: April 8, 2021 10:48 AM

To: Milad Haghani

Subject: Forbearance Agreement - RJ Packaging Incorporated o/a Custom Food Packaging

Hello Milad,

Please find attached for your review the forbearance agreement which requires, among other things, repayment of the indebtedness by **May 31, 2021**. Note: the sign back date (**4 pm on April 21, 2021**) and deliverables is set out in section 11.14. Please confirm that you are acting for the Borrower and all guarantors.



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](#)
To: ["Milad Haghani"](#)
Bcc: ["McInnes, Craig"](#)
Subject: Revised Forbearance Agreement (Expiry August 31, 2021)- RJ Packaging Incorporated o/a Custom Food Packaging
Date: Wednesday, April 28, 2021 5:49:45 PM
Attachments: [Forbearance Agreement - Forbearance Agreement.pdf](#)
[DOCS1-#4629816-v5-Forbearance Agreement.pdf](#)

Hello Milad,

Further to our call, please find attached the revised forbearance agreement with a forbearance period to August 31, 2021. The sign back dead-line is May 3, 2021. We have also attached a blackline for your convenience.



RACHEL MOSES

T: 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, April 14, 2021 2:25 PM

To: 'Milad Haghani' <Milad@haghanilaw.ca>

Cc: Lianne Campbell <lianne@haghanilaw.ca>

Subject: RE: Forbearance Agreement - RJ Packaging Incorporated o/a Custom Food Packaging

Hello Milad,

I just left you a voice message. In response to your email below and the execution of the forbearance agreement, please be advised:

- RBC is agreeable to a sign-back deadline of April 22, 2021;
- RBC is agreeable to change the forbearance period to June 30, 2021 (currently May 31, 2021)

We have not received any response from Smit's wife or from the other guarantor Jayantkumar. Could you kindly have your clients provide us with the contact information for these guarantors. As you are aware, they are parties to the forbearance agreement and need to be contacted. Please provide their contact details before the end of this week. Thank you



RACHEL MOSES

T: 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: Milad Haghani [<mailto:Milad@haghanilaw.ca>]

Sent: Friday, April 09, 2021 3:09 PM

To: Rachel Moses <RMoses@mindengross.com>

Cc: Lianne Campbell <lianne@haghanilaw.ca>

Subject: RE: Forbearance Agreement - RJ Packaging Incorporated o/a Custom Food Packaging

Good afternoon Rachel:

Would you kindly copy Lianne to all correspondence.

At the moment I do not act for any one other than Smit Jani and the corporation. That may change in the near future and if and when it does I will advise.

Further to my email correspondence of March 12, 2021 and our subsequent telephone conversation please confirm that your client will allow no less than 14 calendar days from the date that the Forbearance Agreement is made available to us, for my client to conduct preliminary discussions and execute. That takes us to April 22, 2021, not Apr. 21. Please confirm.

I also confirm that in our telephone conversation we had agreed that your client will allow for a period of 4 months from the time of execution for repayment. As I said before in my email of Mar. 12, 2021 any earlier timeline is simply unrealistic. The May 31, 2021 date is even less than the 60 days your client had proposed in early March as evidenced in your email of Mar. 11, 2021.

Please confirm the issue of dates and I will then go through the agreement with my clients.

Thanks,

Milad Haghani

Milad Haghani Professional Corporation o/a Haghani Law Office

Lex Villa LLP

203-3018 New Street

Burlington, ON

L7N 1M5

203-27 Major Mackenzie Dr. E.

Richmond Hill, ON

L4C 1G6

T: 905-635-5862

F: 905-635-5689

C: 289-776-7480

E: milad@haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

From: Rachel Moses

Sent: April 8, 2021 10:48 AM

To: Milad Haghani

Subject: Forbearance Agreement - RJ Packaging Incorporated o/a Custom Food Packaging

Hello Milad,

Please find attached for your review the forbearance agreement which requires, among other things, repayment of the indebtedness by **May 31, 2021**. Note: the sign back date (**4 pm on April 21, 2021**) and deliverables is set out in section 11.14. Please confirm that you are acting for the Borrower and all guarantors.

**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.

This is **Exhibit "N"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.


Rachel Moses (Jul 9, 2021 11:31 EDT)
A Commissioner for Taking Affidavits
Rachel Moses / LSO# 42081V

From: [Milad Haghani](#)
To: [Rachel Moses](#)
Cc: [Catherine Lee](#)
Subject: RE: RJ Packaging: Custom Food Packaging and RBC
Date: Monday, May 10, 2021 8:15:20 PM

Hi Rachel:

As indicated previously, I do not have instructions to accept the terms of Forbearance Agreement as you had proposed. While my client had previously indicated their approval of a forbearance period up to August 31, 2021, it has never agreed to most of the other terms proposed in your draft. I have discussed the agreement with the guarantors and I have instructions to advise that with the exception of SMIT JANI, the other guarantors will not execute the agreement.

While I suspect your client may be inclined to commence enforcement proceeding as you had hinted previously in our telephone conversation, forcing guarantors and borrower to file for bankruptcy, doing so will result in it recovering less than what it would if it provides my client with reasonable opportunity and time to pay off the debt. While I am not privy to the exact particulars of circumstances that caused your client to suddenly demand repayment of the entire amount owing I am advised by my client that with the exception of the first few months of 2021 (Jan – Mar) it had always been compliant with the essential repayment terms of the loans. To expect repayment of over half a million dollars from a company that has had a significant drop in revenue due to pandemic may be within your client's right but certainly not reasonable or achievable at this point in time.

It may be best if your client would agree to terms of a forbearance agreement whereby it will allow for reinstatement of the credit facilities on similar terms as originally agreed-upon. That way they will minimize their costs while allowing the debtor time to increase revenues, which will in turn result in payment of all fees and interests your client contemplated originally.

The borrower has applied to CIBC for refinancing and expects to receive a response this week. I will forward the response once my client provides me with a copy. Meanwhile, I confirm that the borrower will pay towards the credit facilities, the maximum that he is able to afford at this time which is \$5,000/month. The borrower will of course review and increase the monthly payments based on cashflow and business growth.

I look forward to hearing back from you.

Thanks,

Milad Haghani

Milad Haghani Professional Corporation o/a Haghani Law Office

Lex Villa LLP

203-3018 New Street

Burlington, ON

L7N 1M5

203-27 Major Mackenzie Dr. E.

Richmond Hill, ON

L4C 1G6

T: 905-635-5862

F: 905-635-5689

C: 289-776-7480

E: milad@haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or

copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

From: Rachel Moses

Sent: May 10, 2021 1:58 PM

To: Milad Haghani

Subject: FW: RJ Packaging: Custom Food Packaging and RBC

Hello Milad,

As you are aware, the deadline for sign back expires today at 4 p.m. You indicated on May 3, 2021 by email sent at 9:56 p.m., after your clients' missed the May 3rd, 2021 deadline for sign back, that RBC would have your comments by end of day on May 4, 2021. This has never been provided. Please advise if your clients' intend on signing the forbearance agreement with schedules and delivering same today before 4 p.m.

The Bank reserves all of its rights and remedies against the borrower and the personal guarantors.



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: Thursday, May 06, 2021 9:41 AM

To: 'Milad Haghani' <Milad@haghanilaw.ca>

Subject: RJ Packaging: Custom Food Packaging and RBC

Hello Milad,

The Bank is prepared to extend the sign-back deadline which expired on May 3, 2021 to 4 p.m. on May 10, 2021. There will be no further extensions. The Bank has been very accommodating to your clients since at least the fall of 2020 but the status quo cannot continue. The sign back deadline is firm. In understanding the Bank's position, we remind you of the following:

- Your clients have been promising to repay all indebtedness to the Bank since the fall of 2000;
- After providing months of accommodations, the Bank made formal demand on March 4, 2021;
- You contacted me on March 8, 2021 in respect of the demands and we subsequently discussed a forbearance by the Bank;
- On March 11, 2021 (almost two months ago), I sent you the below email which detailed the key terms of the proposed forbearance agreement, You have known since March 11, 2021 these key terms and your push back has been only in respect of the forbearance period.;
- March 17, 2021 RBC made demand on the lease facility as the indebtedness was not repaid in connection with the March 4, 2021 demands;
- On April 8, 2021 (almost one month ago), I provided you with the forbearance agreement which included all of the terms referred to in my email of March 11, 2021 with a forbearance period to May 31, 2021 and a sign-back deadline of April 21, 2021. You requested a sign-back of April 22, 2021 and a longer forbearance period to August 31, 2021;

- On April 14, 2021, I advised you that RBC will agree to extend the forbearance period to June 30, 2021 and a sign-back deadline of April 22, 2021. I provided you with the revised forbearance agreement which only differed from the version sent on April 8 in respect of the forbearance period and the sign-back deadline;
- On April 15, 2021 you asked for a forbearance period to August 31, 2021;
- On April 28, 2021, I provided you with a revised forbearance agreement which only differed from the last version by changing the forbearance period from "June 30, 2021" to "August 31, 2021" and the sign-back date extended to May 3, 2021.

Attached is the revised and final forbearance agreement (clean and blackline) which has the sign-back deadline extended to 4 p.m. on May 10, 2021. The Bank continues to reserve all of its rights and remedies against your clients.



Rachel Moses

T: 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: Thursday, March 11, 2021 9:01 AM

To: 'Milad Haghani'

Cc: Lianne Campbell

Subject: RJ Packaging: Custom Food Packaging and RBC

Hello Milad,

The Bank is agreeable to a forbearance agreement with the Borrower and Guarantors on the following terms, among others, which will be formalized in a forbearance agreement:

- Forbearance fee of \$5,000.
- Forbearance period is 60 days.
- Reduction of Operating Facility and Visa by \$10,000 each month and to be applied at the Bank's discretion.
- Excess will have to be covered immediately.
- Covenant to maintain accounts only with RBC.
- Reporting on inheritance and US funds which were supposed to be utilized for a quick payout of the RBC indebtedness together with reporting on efforts to refinance;
- HST/Source Deductions: evidence must be provided at the time of execution of the Forbearance Agreement and 5 days before payout
- Consent to judgment and consent to receivership

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: Milad Haghani [<mailto:Milad@haghanilaw.ca>]

Sent: Tuesday, March 09, 2021 11:31 AM

To: Rachel Moses

Cc: Lianne Campbell

Subject: RE: Custom Food Packaging and RBC

WITHOUT PREJUDICE

Thanks for speaking with me earlier today, Rachel.

I've had a chance to discuss your proposal with my client. He is amenable to executing a consent judgment and consent to receivership if the timeline can be extended to 6 months. He wants to ensure that he will have the funds available. If your client is content with the extension please forward copies of the draft documents you'd like the parties to execute, along with a copy of the statement showing the total owed to date.

Thank you,

Milad Haghani

Milad Haghani Professional Corporation o/a Haghani Law Office

Lex Villa LLP

203-3018 New Street

Burlington, ON

L7N 1M5

203-27 Major Mackenzie Dr. E.

Richmond Hill, ON

L4C 1G6

T: 905-635-5862

F: 905-635-5689

C: 289-776-7480

E: milad@haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

From: Rachel Moses

Sent: March 8, 2021 5:46 PM

To: Milad Haghani

Cc: Lianne Campbell

Subject: RE: Custom Food Packaging and RBC

Hello Milad,

Thank you for your email. The demand period expires on March 15, 2021. I am available for a call tomorrow at 11 am. My cell is 647 968 5942.

**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: Milad Haghani [<mailto:Milad@haghanilaw.ca>]

Sent: Monday, March 08, 2021 1:38 PM

To: Rachel Moses <RMoses@mindengross.com>

Cc: Lianne Campbell <lianne@haghanilaw.ca>

Subject: Custom Food Packaging and RBC

Good afternoon Rachel:

We are in the process of accepting a retainer by the above-noted entity which has provided us with a copy of your correspondence of March 4, 2021, attached for your reference. I am being provided with documents and aim to have my review completed as soon as possible but by no later than end of the week. Would you please let me know whether you are available for a chat some time this week? I am available tomorrow 11 a.m. to 1 p.m. and all day on Thursday, Mar. 11. Kindly confirm that you will not taken steps against our client without prior reasonable notice.

Thank you,

Milad Haghani

Milad Haghani Professional Corporation o/a Haghani Law Office

Lex Villa LLP

203-3018 New Street

Burlington, ON

L7N 1M5

203-27 Major Mackenzie Dr. E.

Richmond Hill, ON

L4C 1G6

T: 905-635-5862

F: 905-635-5689

C: 289-776-7480

E: milad@haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

From: [Catherine Lee](#)
To: [Rachel Moses](#)
Cc: [Milad Haghani](#)
Subject: RE: Outstanding - RJ Packaging - CIBC refinancing
Date: Monday, June 14, 2021 11:04:19 AM
Attachments: [image001.jpg](#)

Good Morning Rachel,

I have been advised by our client that CIBC did not approve his loan application. He is currently seeking written confirmation of the denial as there was no formal documentation provided. I will provide confirmation once the client has provided it to me.

Thank you,

Catherine Lee
Paralegal Student
Haghani Law Office

203 – 3018 New Street
 Burlington, ON
 L7N 1M5

Tel: 905-635-5862

Fax: 905-635-5689

Web: www.haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

From: Rachel Moses

Sent: June 7, 2021 9:47 AM

To: Catherine Lee

Cc: Milad Haghani

Subject: RE: Outstanding - RJ Packaging - CIBC refinancing

Thank you Catherine for responding to my email. I will forward to my client however the Bank has made it clear that the status quo cannot continue. In the interim the Bank reserves all rights and remedies.

Minden Gross LLP



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: Catherine Lee [<mailto:catherine@haghanilaw.ca>]

Sent: Monday, June 07, 2021 9:42 AM

To: Rachel Moses <RMoses@mindengross.com>

Cc: Milad Haghani <Milad@haghanilaw.ca>

Subject: RE: Outstanding - RJ Packaging - CIBC refinancing

Good Morning Rachel,

Our client has advised me that his meeting with CIBC has been rescheduled to tomorrow, June 8. As soon as we have an update from him after the meeting we will pass that information along to you.

Thank you,

Catherine Lee

Paralegal Student

Haghani Law Office

203 – 3018 New Street

Burlington, ON

L7N 1M5

Tel: 905-635-5862

Fax: 905-635-5689

Web: www.haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

From: Rachel Moses <RMoses@mindengross.com>

Sent: June 7, 2021 5:33 AM

To: Milad Haghani <Milad@haghanilaw.ca>

Cc: Catherine Lee <catherine@haghanilaw.ca>

Subject: Outstanding - RJ Packaging - CIBC refinancing

Hello Milad,

We have not heard from you since May 27, 2021. Nor has your client advised the Bank of its efforts to obtain financing from CIBC which response is now overdue.

The Bank reserves all of its rights and remedies against the borrower and the personal guarantors.

Minden Gross LLP



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: Thursday, May 27, 2021 4:07 PM

To: 'Milad Haghani' <Milad@haghanilaw.ca>

Cc: 'Catherine Lee' <catherine@haghanilaw.ca>

Subject: RE: RJ Packaging - CIBC refinancing

Hello Milad,

As we have indicated, the status quo cannot continue. Please advise by no later than June 4, 2021 on your clients' efforts to secure refinancing from CIBC so as to repay the indebtedness owing to RBC which has been outstanding since at least March 17, 2021, if not earlier.

Minden Gross LLP



Rachel Moses

T: 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: Milad Haghani [<mailto:Milad@haghanilaw.ca>]

Sent: Thursday, May 27, 2021 1:26 PM

To: Rachel Moses

Cc: Catherine Lee

Subject: RE: RJ Packaging - CIBC refinancing

Hi Rachel:

Apparently his meeting of last Thursday was cancelled and its being rescheduled to some time this week. I spoke with him on Tuesday this week when he said that he still didn't have a date from CIBC. We'll call and if he has any updates in that respect Catherine or I will confirm with you.

Thanks,

Milad Haghani

Milad Haghani Professional Corporation o/a Haghani Law Office

Lex Villa LLP

203-3018 New Street

Burlington, ON

L7N 1M5

203-27 Major Mackenzie Dr. E.

Richmond Hill, ON

L4C 1G6

T: 905-635-5862

F: 905-635-5689

C: 289-776-7480

E: milad@haghanilaw.ca

This message is intended only for the use of the individuals to which it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, you are hereby notified that you have received this transmission in error; any review, dissemination, distribution or copying of this transmission is prohibited. If you have received this communication in error, please notify me immediately by reply e-mail and delete this message and all of its attachments.

From: Rachel Moses <RMoses@mindengross.com>

Sent: May 26, 2021 9:09 PM

To: Milad Haghani <Milad@haghanilaw.ca>

Subject: RJ Packaging - CIBC refinancing

Hello Milad,

Can you please advise on the status of your clients' application to CIBC for financing?

Minden Gross LLP



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.

This is **Exhibit "O"** referred to
in the Affidavit of W. Craig McInnes
Sworn this 9th
day of July, 2021.



Rachel Moses (Jul 9, 2021 11:31 EDT)
A Commissioner for Taking Affidavits

Rachel Moses / LSO# 42081V

Court File No. CV-21-00665286-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

and

**RJ PACKAGING INCORPORATED operating as CUSTOM FOOD
PACKAGING, SMIT RAMESH JANI, MITALI SMIT JANI and
JAYANTKUMAR NAGJIBHAI PANCHASARA**

Respondents

CONSENT

msi Spergel inc. hereby agrees to act as Receiver in the above-noted matter.

DATED at **TORONTO**, Ontario this 9th day of July, 2021.

msi Spergel inc.

Per: 

Name: Mukul Manchanda, CPA, CIRP, LIT

Title: Principal

BETWEEN

ROYAL BANK OF CANADA

Applicant

-and-

RJ PACKAGING INCORPORATED operating as CUSTOM
FOOD PACKAGING, et al
Respondents
Court File No. CV-21-00665286-00CL

**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)
E-Mail: rmoses@mindengross.com
Tel: 416-369-4115

Lawyers for the Applicant, Royal Bank of Canada

(File No. 4122089)

TAB 3

Court File No. CV-21-00665286-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.

)

TUESDAY, THE 3RD

JUSTICE KOEHNEN

)

DAY OF AUGUST, 2021

)

B E T W E E N :

ROYAL BANK OF CANADA

Applicant

- and -

**RJ PACKAGING INCORPORATED operating as CUSTOM FOOD PACKAGING,
SMIT RAMESH JANI, MITALI SMIT JANI and JAYANTKUMAR NAGJIBHAI
PANCHASARA**

Respondents

**ORDER
(appointing Receiver)**

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing msi Spergel inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of RJ packaging Incorporated operating as Custom Food Packaging and all other property, assets and undertakings relating thereto, (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day by video conference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of W. Craig McInnes sworn July ^, 2021 and the Exhibits thereto and on hearing the submissions of counsel for Royal Bank of Canada, no one appearing for the Debtor although duly served as appears from the affidavit of

service of Christine Cavarzan sworn July •, 2021 and the affidavits of service of Robert Street sworn July •, 2021, and on 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 \$25,000.00, provided that the aggregate consideration for all such transactions does not exceed \$150,000.00; 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*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to 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, 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 Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the

Applicant's security or, if not so provided by the Applicant'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 msi Spergel inc., the receiver (the "**Receiver**") of the assets, undertakings and properties RJ Packaging Incorporated operating as Custom Food Packaging 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:

B E T W E E N

ROYAL BANK OF CANADA

Applicant

-and-

RJ PACKAGING INCORPORATED operating as CUSTOM
FOOD PACKAGING, et al
Respondents
Court File No. CV-21-00665286-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

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 Applicant

(File No. 4122089)

B E T W E E N

ROYAL BANK OF CANADA

Applicant

-and-

RJ PACKAGING INCORPORATED operating as CUSTOM
FOOD PACKAGING, et al
Respondents
Court File No. CV-21-00665286-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

APPLICATION 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 Applicant

(File No. 4122089)