

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

-and-

FALCON XPRESS TRANSPORTATION GROUP INC., FALCON INVESTMENT
GROUP INC., 6086 MAYFIELD INC. and 2593548 ONTARIO INC.

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**

**SUPPLEMENTARY MOTION RECORD OF THE RESPONDENTS
(Motion Returnable June 6, 2025 at 9:00a.m.)**

June 5, 2025

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I N D E X

Court File No. CV-25-00001464-0000

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TAB | 1

LOAN AGREEMENT
 ("Agreement")

This Agreement dated May 13, 2025, is an agreement between **PATHWARD, NATIONAL ASSOCIATION** ("Pathward"), and **FALCON XPRESS TRANSPORTATION GROUP INC.** ("Borrower"). In this Agreement, Pathward and Borrower are collectively the "Parties". Any person who guarantees the obligations of Borrower (collectively, the "Guarantors" and each, a "Guarantor") is required to sign this Agreement. The Parties have the addresses shown on the schedule (the "Schedule") which is attached to this Agreement. These are the addresses of the Parties and the Guarantors for all purposes and may be changed by one party giving notice to the other party in writing of the new address.

1. **PURPOSE.** The purpose of this Agreement, including the Schedule, is to set forth the terms and conditions of the revolving line of credit loans made from time to time by Pathward to Borrower (collectively, the "Loan") and the obligations of Borrower. The Schedule is an integral part of this Agreement. This Agreement (including the Schedule), the C\$6,500,000 Promissory Note (the "Canadian Line of Credit Note") and the US\$2,000,000 Promissory Note (the "US Line of Credit Note") (the Canadian Line of Credit Note and the US Line of Credit Note are referred to herein individually and collectively, as the context may require, as the "Note") to be signed by Borrower, any security agreement to be signed by Borrower, any mortgage to be signed by Borrower, any guarantee(s) and any other documents now or hereafter signed by any of the Parties or the Guarantors in connection with this Agreement, the Loan or any document issued by Pathward or the bank holding the Blocked Account (as hereinafter defined) ("Blocked Account Bank"), including subordination agreements or intercreditor agreements, are also all part of the agreement between the Parties and are (as each of the foregoing may be amended, amended and restated or otherwise modified from time to time) referred to collectively as the "Loan Documents".

2. **LOAN; LOAN ADVANCES.**

A. Any disbursement of money or advance of credit by Pathward, including but not limited to amounts advanced for the payment of interest, fees, expenses and amounts necessary to protect, maintain and preserve the Collateral (as hereinafter defined) of Pathward under the Loan Documents ("Protective Disbursements"), is individually referred to as an "Advance" and collectively referred to as the "Advances". Whether Pathward makes an Advance is in Pathward's sole discretion. If an Advance is made in association with the Loan, it will be made in accordance with the "Canadian Line of Credit Advance Formula" or the "US Line of Credit Advance Formula", as applicable, set forth in the Schedule (the Canadian Line of Credit Advance Formula and the US Line of Credit Advance Formula are individually and collectively, as the context may require, referred to herein as the "Advance Formula"); but not at any time to exceed the "Canadian Line of Credit Maximum Amount" or "US Line of Credit Maximum Amount", as applicable, set forth on the Schedule (the Canadian Line of Credit Maximum Amount and the US Line of Credit Maximum Amount are individually and collectively, as the context may require, referred to herein as the "Maximum Amount"), provided that Pathward may choose to make Protective Disbursements in excess of the Maximum Amount or the Advance Formula in its sole discretion. Each time Pathward makes an Advance, including a Protective Disbursement, the Advance will be debited against an account in Borrower's name on Pathward's books ("Loan Account"), and each payment will be credited against the applicable Loan Account in the manner described in this Agreement. All Advances and payments from Pathward to Borrower, and all payments from Borrower to Pathward, shall be in the lawful currency of Canada ("Canadian Dollars" or "C\$") or the United States ("US Dollars" or "US\$"); provided, that, any payment by Borrower with respect to any Advance or the Obligations (as hereinafter defined) shall be made in the currency in which such Advance was made.

B. The total amount Borrower owes to Pathward will be the aggregate of the Advances made by Pathward, the expenses and fees set forth in the Schedule and any and all costs incurred by Pathward (including reasonable legal fees), and interest at the rate set forth in the applicable Note on all amounts advanced (together with all other obligations of Borrower under the Loan Documents, the "Obligations").

C. Borrower must repay all Advances with respect to the Loan with interest, which is due monthly as specified in the applicable Note, along with all other fees and expenses of Pathward set forth

herein or in the Schedule. Pathward may, in its sole discretion, collect any Obligations due to Pathward by (i) directly applying any funds in the Blocked Account to the Obligations, (ii) directly applying funds from any reserve to the Obligations, (iii) collecting the Obligations directly from Borrower; or (iv) otherwise collecting the Obligations. Borrower understands that all the Obligations are repayable at any time in full or in part upon demand by Pathward. Pathward may make demand for partial payments and such demand will not preclude Pathward from demanding payment in full at any time.

D. Borrower and the Guarantors must comply with its representations, promises, covenants and reporting requirements set forth in this Agreement, in the Schedule and in the other Loan Documents. Borrower's or the Guarantors' failure to do any of the foregoing, or if Borrower or any Guarantor becomes insolvent, commits an act of insolvency or makes a proposal (or a proposal is made by any creditor) under any applicable bankruptcy or insolvency laws, is a default ("Default"). Pathward, in its sole discretion, may declare all or any part of Obligations to be immediately due and payable, without demand or notice of any kind, in the event of default, or, if Pathward considers or deems itself insecure. The demand nature of the Obligations is not modified by reference to a Default in this Agreement or the other Loan Documents and any reference to a Default is for the purpose of permitting Pathward to exercise its remedies on Default, including charging interest at the Extra Rate (as defined in the applicable Note). Borrower further agrees that the Loan is cross-defaulted with all loans from Pathward to Borrower.

E. The aggregate amount of all Advances, plus the expenses and fees set forth in the Schedule, any and all costs incurred by Pathward (including reasonable legal fees), and interest at the rate set forth in the applicable Note on all amounts advanced and any other obligations whatsoever owed to Pathward is referred to herein as the "Loan Amount". The portion of the Loan Amount that is denominated in Canadian Dollars and is associated with the Loan (the "Canadian Loan Amount"), may not, at any time, exceed the lesser of (a) the Canadian Line of Credit Maximum Amount or (b) the Canadian Advance Formula, and Borrower understands that if at any time the Canadian Loan Amount exceeds the lesser of (a) the Canadian Line of Credit Maximum Amount and (b) the Canadian Line of Credit Advance Formula, it shall repay that amount immediately, whether or not demand to repay the whole of the Obligations has been made. The portion of the Loan Amount that is denominated in US Dollars and is associated with the Loan (the "US Loan Amount"), may not, at any time, exceed the lesser of (a) the US Line of Credit Maximum Amount or (b) the US Line of Credit Advance Formula, and Borrower understands that if at any time the US Loan Amount exceeds the lesser of (a) the US Line of Credit Maximum Amount and (b) the US Line of Credit Advance Formula, it shall repay that amount immediately, whether or not demand to repay the whole of the Obligations has been made. Protective Disbursements must be immediately repaid whether or not the lesser of the applicable Maximum Amount or the applicable Advance Formula has been exceeded.

3. **RESERVES.** If Pathward believes in its sole discretion that the prospect for repayment of the Obligations is impaired or that its Collateral margin is insufficient, Pathward may establish cash reserves and credit balances to protect its interests and the repayment of the Obligations. The reserve may be established by reducing the Advance Formula to achieve the target reserve level, withholding monies due Borrower from any payments Pathward receives, from a cash payment from Borrower or any other method Pathward chooses. Any money in a reserve account, whether or not it is a cash reserve, will not earn interest for Borrower, and Pathward may apply the funds in the reserve account to reduce the Obligations at any time Pathward elects.

4. **FEES AND EXPENSES.** In connection with the Loan there are several types of fees that may be charged and Borrower may be required to maintain a minimum Loan balance. Such fees and requirements are set forth in the Schedule. In addition, all expenses of every kind incurred by Pathward in connection with the Loan, any Advance, collection of the Obligations, inspection, and examination are to be paid by Borrower.

5. **BLOCKED ACCOUNT.**

A. Borrower must immediately notify and direct all persons who are obligated on accounts ("Account Debtors") and any other person or party that is liable to Borrower (collectively, a "Debtor") to remit all payments due to Borrower to the blocked account address or pursuant to the applicable wire

transfer or Automated Clearing House ("ACH") instructions set forth in the Schedule (the blocked account for the Loan is referred to herein as the "Blocked Account").

B. The remit to address on all documents related to such accounts, including invoices, purchase orders, or contracts ("Documents") must be the Blocked Account. At Pathward's request, all Documents must be marked by Borrower to show assignment to Pathward, and Borrower must notify each Account Debtor by mail that the account has been assigned to Pathward and that all payments on the Account, whether made by mail or electronically or otherwise must be made payable to Borrower or Pathward, at Pathward's sole discretion, to the Blocked Account or other address provided by Pathward in writing. The language used in such notices shall be approved by Pathward in writing. Pathward may at any time and from time to time, and at its sole discretion, notify any Debtor or third party payee to make payments payable directly to Pathward or to notify Debtor of the assignment to Pathward. All expenses for notification of each Account Debtor will be paid by Borrower.

C. If, notwithstanding the notice to Debtors, Borrower receives any funds from a Debtor, including any cash, cheques, drafts or wire transfers from the collection, enforcement, sale or other disposition of the Collateral, whether derived in the ordinary course of business or not, or if Borrower receives any proceeds of insurance, tax refunds or any and all other funds of any kind, Borrower shall hold such funds in trust for Pathward, shall not mix such funds received with any other funds, and shall immediately deposit such funds in the Blocked Account in the form received. That means if the funds are received by mail, the Debtor cheques will be sent to the applicable Blocked Account uncashed, and if the funds are received electronically, the funds will be transferred immediately to the Blocked Account electronically.

D. Pathward will have sole possession and control over the Blocked Account. The Blocked Account Bank will process all deposits. Borrower irrevocably waives its authority to withdraw any amounts from, to draw upon, or otherwise exercise any authority or powers with respect to the Blocked Account and all amounts credited thereto, and the Blocked Account shall be under the sole dominion and control of Pathward. All expenses plus any applicable administration and servicing fees of the Blocked Account will be paid by Borrower.

6. **LOAN ACCOUNT.** All of the Obligations which are owed by Borrower will be shown in the applicable Loan Account and Borrower will receive a monthly statement either by mail, electronically or via access to the Pathward online system at Pathward's sole discretion. The statement is binding on Borrower unless Borrower provides a written objection to Pathward that is actually received by Pathward within fifteen (15) business days of the time the statement is provided or made available to Borrower.

7. **PAYMENTS.** Should a cheque or other credit instrument not be collected after Borrower has been given credit for such payment, then the credit will be reversed and a fee charged at Pathward's then standard rate. Pathward, at its sole discretion, may establish reserves as set forth above or not apply a payment that it reasonably believes may be returned unpaid for any reason or disgorged due to a preference claim or garnishment. In the event that any payment received by Pathward is sought to be recovered by or on behalf of the payer (including a trustee in bankruptcy or assignee for the benefit of creditors), then Borrower agrees to immediately reimburse Pathward on demand for any amount so recovered and all of Pathward's expenses in connection with any such proceeding, including reasonable legal fees. This provision shall survive termination of this Agreement. Any payments received by Pathward shall be applied to the Obligations in whatever order Pathward determines in its reasonable discretion.

8. **SECURITY INTEREST.**

A. Borrower agrees to grant to Pathward a security interest in all of its assets, now existing or hereafter arising, wherever located (the "Borrower Collateral"), including a first ranking security interest in all of its Accounts, to secure repayment of the Obligations (the "Borrower Security Interest") and agrees to provide Pathward with a Security Agreement in Pathward's standard form. The Collateral also includes all monies on deposit with Pathward and on deposit in the Blocked Account.

B. Each corporate Guarantor agrees to grant to Pathward a security interest in all of its assets, now existing or hereafter arising, wherever located (the "Guarantor Collateral") (the Borrower Collateral and the Guarantor Collateral are individually and collectively, as the context may require, referred to herein as the "Collateral"), to secure repayment of the Obligations (the "Guarantor Security Interest") (the Borrower Security Interest and the Guarantor Security Interest are individually and collectively, as the context may require, referred to herein as the "Security Interest"), and agrees to provide Pathward with a Security Agreement in Pathward's standard form.

C. Borrower and each corporate Guarantor give Pathward all of the rights of a secured party under the Personal Property Security Act of the province where the Collateral may be located as amended from time to time, which Act or Acts, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "PPSA". Borrower and each corporate Guarantor grant Pathward the authority to file all appropriate documentation for Pathward to perfect its security interest in the Collateral, including PPSA financing statements, as well as PPSA financing change statements and amendments as may be required or desirable from time to time to perfect or protect the Security Interest. All expenses of Pathward relating to searching, filing or protecting the Security Interest shall be deemed to be part of the Obligations.

D. The Security Interest shall give Pathward rights with respect to the Collateral and the Security Interest and this Agreement imposes duties upon Borrower and each corporate Guarantor which relate to the Collateral. Some of such rights and duties are: (i) the right of Pathward at any time to notify any persons who may hold any part of the Collateral, such as Account Debtors and other debtors, of Pathward's Security Interest. Borrower and each corporate Guarantor understand that Pathward may verify Accounts with the Account Debtors; (ii) Borrower and each corporate Guarantor must cooperate with Pathward in obtaining control of any Collateral in the possession of third persons, particularly Collateral consisting of deposit accounts, investment property, letter of credit rights or other Collateral which is evidenced by electronic entries; (iii) except for the right of Borrower and each corporate Guarantor to sell its inventory in the ordinary course of business, Borrower and each corporate Guarantor shall not sell or transfer any of the Collateral or grant any other security interest in the Collateral, except as Pathward may specifically agree to in writing. Borrower and each corporate Guarantor remain liable to perform all of its obligations with respect to the Collateral such as the recognition of any warranties in inventory sold and Pathward is under no responsibility to perform any of the obligations of Borrower and each corporate Guarantor; and (iv) Borrower and each corporate Guarantor must notify Pathward immediately if it knows that any Account Debtor disputes an Account whether or not such disputes are deemed valid by Borrower.

9. **POWER OF ATTORNEY.** Borrower irrevocably appoints Pathward, or any person(s) designated by Pathward, as its attorney-in-fact, which appointment is coupled with an interest and shall remain in full force and effect until all Obligations of Borrower to Pathward have been fully satisfied and discharged, with full power, at Borrower's sole expense, to exercise at any time in Pathward's reasonable discretion all or any of the following powers:

A. Receive, take, endorse, assign, deliver, accept and deposit, in the name of Pathward or Borrower, any and all cash, cheques, commercial paper, drafts, remittances and other instruments and documents relating to the Collateral or the proceeds thereof.

B. Change Borrower's address on all invoices and statements of Account mailed or to be mailed to Borrower's customers and to substitute thereon the address designated by Pathward, to place legends on all invoices and statements of Account mailed or to be mailed to Borrower's customers, and to receive and open all mail addressed to Borrower, or to Borrower's trade name at Pathward's address, or any other designated address.

C. Upon and after the occurrence of a Default, to change the address for delivery of Borrower's mail to Pathward's or an address designated by Pathward. Borrower specifically authorizes Pathward to sign any forms on behalf of Borrower to affect this change with the United States Postal Service, Canada Post or any third party and requests such change to be accepted.

D. Upon and after the occurrence of a Default, to take or bring, in the name of Pathward or Borrower, all steps, actions, suits or proceedings deemed by Pathward necessary or desirable to effect collection of or other realization upon any Collateral.

E. Execute and file on behalf of Borrower any PPSA Financing Statement(s) or Financing Change Statements and/or any notices or other documents necessary or desirable to carry out the purpose and intent of this Agreement, and to do any and all things reasonably necessary and proper to carry out the purpose and intent of this Agreement.

F. To transfer any lockboxes/blocked accounts belonging to Borrower to Pathward at Pathward's sole discretion.

G. To initiate ACH transfers from Borrower's depository accounts.

H. To endorse and take any action with respect to bills of lading covering any inventory.

I. Upon and after a Default, or at any time in the event that Borrower fails to do so within a reasonable time, execute, file and serve, in its own name or in the name of Borrower, mechanics lien or similar notices, or claims under any payment or performance bond for the benefit of Borrower.

J. Upon and after a Default, or at any time in the event that Borrower fails to do so within a reasonable time, pay any sums necessary to discharge any lien or encumbrance on the Collateral, which sums shall be included as Obligations hereunder, and which sums shall accrue interest at the Extra Rate until paid in full.

10. **REPRESENTATIONS.** Borrower and the Guarantors, to the extent applicable, make the following representations and warranties to Pathward and such representations and warranties must be true at all times until the Obligations are paid in full. If Borrower or the Guarantors learn that a representation and warranty once made is no longer true, it has the duty to immediately notify Pathward in writing:

A. Borrower and each corporate Guarantor are in good standing under the laws of the state or province of its organization and is authorized to conduct business in any state or province that it conducts business. Borrower and each corporate Guarantor have the power and authority to enter into this Agreement, and the persons signing this Agreement and all persons who sign any documents with Pathward have the appropriate authority. Borrower's and each corporate Guarantor's organization identification number, state or province of organization, and addresses where it conducts business is as shown on the Schedule.

B. Borrower and each corporate Guarantor are in compliance with all laws, ordinances and regulations or other requirements of any governmental authority or agency applicable to such entity's business.

C. Borrower's and each corporate Guarantor's entry into the Loan Documents do not violate any agreement which such entity has or which binds same.

D. The Loan Documents are fully enforceable against Borrower, each corporate Guarantor and the Collateral.

E. There are no litigation or criminal charges pending or threatened against Borrower or the Guarantors and neither Borrower nor the Guarantors are in default of any order or judgment of any court or any governmental agency of any kind. There are no unsatisfied liens or judgments pending against Borrower in any jurisdiction except as shown on the Schedule.

F. The financial information furnished by Borrower and each corporate Guarantor to Pathward has been prepared in accordance with generally accepted accounting principles, all financial

statements are true and correct, and any projections of the business operations such Borrower or corporate Guarantor that have been given or will be given to Pathward in the future will be based such Borrower's or corporate Guarantor's reasonable assumptions and estimates.

G. Borrower is the owner of all of the Borrower Collateral and there are no other liens or claims against the Borrower Collateral, except the Borrower Security Interest of Pathward or as shown on the Schedule.

H. All of the Collateral is personal property and none of the Collateral will be permanently affixed to real estate.

I. Borrower has filed and will file all federal, state, provincial, local and foreign tax returns that it is required to file and has paid and will pay all taxes and all other governmental charges as they become due.

J. Borrower is able to pay its debts as they become due and has sufficient capital to carry on its business. Borrower's obligations under this Agreement and the Loan Documents, including the obligation to repay the Loan and the grant of the Security Interest, do not render Borrower insolvent.

K. Borrower only uses the fictitious names, d/b/a's, tradenames and tradestyles set forth on the Schedule (collectively the "Tradenames"), and Borrower certifies that all sales and any and all business done in the name of the Tradenames are the sales and business of Borrower. Any and all cheques, remittances or other payments received in the name of any of the Tradenames are Borrower's sole and exclusive property, and are subject to Pathward's security interest hereunder. Any and all authority given to Pathward by Borrower in this Agreement or elsewhere to endorse Borrower's name on any cheques, negotiable instruments or other remittances extends with equal and full force and effect to any cheques, negotiable instruments, and other remittances received in the name of any Tradename.

L. All Accounts assigned to Pathward by Borrower are and will at all times be bonafide accounts arising from the sale of inventory or providing services, and are not subject to discounts, deductions, allowances, contra items, offset or counterclaim and are free and clear of all encumbrances of any kind whatsoever, except as disclosed to Pathward in writing and approved by Pathward in writing.

M. Borrower's assignment of any Accounts to Pathward pursuant to this Agreement will not at any time violate any federal, state, provincial and/or local law, rule or regulation, court or other governmental order or decree or terms of any contract relating to such Accounts.

N. Borrower possesses all necessary trademarks, trade names, copyrights, patents, patent rights and licenses to conduct its business as now operated, without any known conflict with any trademarks, trade names, copyrights, patents and license rights of any other person or entity.

O. Borrower's legal name as of the date hereof as it appears in its official filing with its state or province of organization is as set forth in the opening paragraph of this Agreement. Borrower has not organized another entity or Tradename using Borrower's name or Tradename as set forth herein in any other jurisdiction.

P. No Default has occurred and is continuing.

Q. No information contained in any Loan Document, the financial statements or any written statement furnished by or on behalf of Borrower or the Guarantors under any Loan Document or to induce Pathward to execute the Loan Documents, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. There are no material facts relating to Borrower or the Guarantors which have not been disclosed to Pathward.

11. **BORROWER'S PROMISES AND POSITIVE COVENANTS.** Borrower makes the following promises and covenants to Pathward and these promises and covenants are effective until the Obligations are fully paid:

A. To pay all Obligations when due and perform all terms, conditions and obligations of the Loan Documents.

B. To permit Pathward, or its representatives, access to the Collateral on Borrower's premises and to Borrower's computer systems, books of account and financial records. Borrower will pay the cost of Field Examinations as specified in the Schedule.

C. To notify Pathward promptly of any litigation, administrative or tax proceeding or other action threatened or instituted against Borrower or the Guarantors or their property, or of any other material matter which may adversely affect Borrower's financial condition. The amount of claims as to which Borrower must notify Pathward is specified in the Schedule as the "Borrower Claims Threshold".

D. To notify Pathward promptly of any event or circumstance which, to Borrower's knowledge, would cause Pathward to consider any then existing Account as no longer constituting an Eligible Account.

E. To pay when due all taxes, assessments and governmental charges, provided that Borrower has the right to contest the same as long as it has a cash reserve with Pathward in an amount as determined by Pathward in its sole discretion.

F. To maintain insurance on its business activities in such amounts and in such form as Pathward may from time to time require, and with respect to such insurance if so designated, Pathward shall be named as "Lender Loss Payee" and/or "Additional Insured", as applicable, under the policy and receive evidence of the insurance. All insurance which protects Pathward shall have at least a thirty (30) days notice to Pathward prior to any cancellation. With respect to the insurance, Borrower appoints Pathward as its attorney-in-fact to negotiate any and all claims under all insurance policies and Pathward also has the power to negotiate any payments on the insurance policies.

G. To comply with all laws, ordinances and regulations or other requirements of any governmental authority or agency applicable to Borrower's business.

H. To maintain and preserve all Collateral in good repair, working order and condition, and with respect to Accounts, pursue collections thereof.

I. To provide Pathward with evidence of ownership of any Collateral upon the request of Pathward.

J. To maintain a Loan Amount balance which shall not exceed the sum of Eligible Collateral times the corresponding Advance Rate.

K. On or prior to the Closing Date, to deliver to Pathward:

- (i) an executed payout statement in respect of the existing revolving line of credit granted by Royal Bank of Canada in favour of Borrower to be repaid on or prior to the Closing Date (the "Refinance") together with Borrower's counsel's undertaking to discharge any security in connection thereto post-closing;
- (ii) evidence satisfactory to Pathward in its sole discretion of equity injections to Borrower from its shareholders and/or related parties in the aggregate amount of Five Hundred Thousand Canadian (C\$500,000.00) Dollars on account of *inter alia* any shortfall required for the Refinance (the "Equity Injection");

- (iii) unlimited joint and several guarantees from the Guarantors; and
- (iv) postponement(s) and subordination(s) of shareholder and related party loans in favour of Borrower, including, without limitation, from the Guarantors in respect of *inter alia* the Equity Injection.

12. **NEGATIVE COVENANTS**. Borrower agrees until the Obligations are paid in full, it will not:

- A. Change its state or province of organization or its name, or move its executive office or at any time adopt any assumed name without giving Pathward at least thirty (30) days prior written notice.
- B. Declare or pay any dividend or make any other distribution with regard to its equity or purchase or retire any of its equity without Pathward's prior written consent, provided if it is taxed as a "pass through" entity, Borrower may prior to a Default distribute profits to its equity holders in an amount necessary to enable such holders to pay personal, state, provincial and federal taxes directly attributable to the profits earned by Borrower for such year.
- C. Make any loan or guarantee or assume any obligation or liability, whether as borrower, guarantor, surety, indemnitor or otherwise (a "Borrower Obligation") (i) that would result in or create a Default, or (ii) that together with all other existing Borrower Obligations would exceed the "Obligation Threshold" set forth in the Schedule, without Pathward's prior written consent.
- D. Enter into any transaction with its equity holders or any affiliates of Borrower except on terms at least as favorable as would be usual and customary in similar transactions if the person with whom the transaction is entered into was not related to Borrower.
- E. Release, redeem, purchase, or acquire any of its equity interests without the prior written consent of Pathward.
- F. Default in the payment of any debt to any other person.
- G. Suffer or permit any judgment, decree or order not fully covered by insurance to be entered against Borrower or a Guarantor in an aggregate amount in excess of the "Borrower Claims Threshold", or permit or suffer any warrant or attachment to be filed against Borrower, any Guarantor, or against any property or asset of Borrower or any Guarantor.
- H. Transfer the ownership of any equity interest in Borrower without the prior written consent of Pathward which shall not be unreasonably withheld.
- I. Transfer, sell, assign or lease any of the Collateral outside the normal course of its business without the prior written consent of Pathward.
- J. Purchase the stock or assets of any other entity without the prior written consent of Pathward.
- K. In one transaction or a series of related transactions, amalgamate with, merge or wind up or liquidate into or consolidate with any other person.
- L. Create, incur, assume or permit to exist any security interest or lien on any Collateral except for those in favour of Pathward, set out as Permitted Encumbrances in the Security Agreement or approved in writing by Pathward.
- M. Borrower will not make any agreement with any Account Debtor for any extension of time for the payment of any Account, any compromise or settlement for less than the full amount thereof, any release of any Account Debtor from liability therefore, or any deduction therefrom except a discount or

allowance for prompt or early payment allowed by Borrower in the ordinary course of its business consistent with historical practice and as consented to by Pathward in writing.

13. **FINANCIAL REPORTS.** Borrower promises that until the Obligations are fully paid and this Agreement is terminated, it will keep its books and records in a manner satisfactory to Pathward and Pathward will have the right at any time to verify any of the Collateral, documentation or books and records of Borrower in whatever manner and as often as Pathward deems necessary. Borrower will permit Pathward, or its representatives, access to the Collateral and Borrower's premises and to Borrower's computer systems, books of account and financial records. Borrower will furnish to Pathward the financial reports identified on the Schedule, certified to by the president or chief financial officer of Borrower and Borrower's certified public accountant, if applicable. All financial reports will be prepared in accordance with generally acceptable accounting principles and will be true and accurate.
14. **PATHWARD'S REMEDIES.** Pathward has all the remedies available at law or in equity (including those under the PPSA) in the event of a Default or if Borrower fails to pay the Obligations on demand, including but not limited to the following: to charge the Extra Rate; to notify Account Debtors to make the payments directly to Pathward; to settle or compromise any disputed Account, sue on any Account and make any agreement to deal with the accounts as if it were the owner; to offset any of Borrower's or the Guarantors' funds under the control of Pathward against the Obligations; and to require Borrower to gather up the Collateral and make it available to Pathward for Pathward to conduct public or private PPSA foreclosure sales. Borrower grants to Pathward a license or other right to use, without charge, Borrower's labels, patents, copyrights, trademarks, rights of use of any name, trade secrets, tradenames and advertising materials, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale and selling any Collateral, and Borrower's rights under all licenses and franchise agreements shall inure to Pathward's benefit. If Pathward should proceed against the Collateral and sell any of the Collateral on credit, Borrower will be credited on the Obligations only with the amount actually received by Pathward and Borrower waives any and all provisions as to notice or a particular method of sale of any of the Collateral. Borrower will pay all expenses in connection with the assembly or sale of the Collateral. Pathward does not have to incur its own expenses in realizing upon the Collateral, but all the expenses are for the account of Borrower. Borrower recognizes that at no time is Pathward its agent in dealing with the Collateral, but Pathward acts only in its own interest.
15. **CUMULATIVE RIGHTS.** Pathward's rights and remedies under this Agreement and all other agreements shall be cumulative. Pathward shall have all other rights and remedies not inconsistent herewith as provided under the PPSA, by law, or in equity. No exercise by Pathward of one right or remedy shall be deemed an election, and no waiver by Pathward of any Default on Borrower's part shall be deemed a continuing waiver. No delay by Pathward shall constitute a waiver, election or acquiescence by it.
16. **LENDER ACTIONS.** To the extent applicable law may impose duties on Pathward to exercise remedies in a commercially reasonable manner, Borrower agrees that it is not commercially unreasonable for Pathward: to fail to exercise remedies against any Collateral or any particular Account Debtor; to proceed against Account Debtors either directly or through collection agencies; to advertise disposition of Collateral through publications or media of general circulation; to hire professional auctioneers to dispose of Collateral; to dispose of Collateral in wholesale or retail markets; to disclaim warranties with respect to Collateral; or to obtain services of solicitors or other professionals. The foregoing is not an exhaustive list and nothing contained in the foregoing shall be construed to grant any rights to Borrower or to impose any duties on Pathward that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 16. Borrower agrees that under no circumstances is Pathward the agent or representative of Borrower.
17. **APPLICATION OF PROCEEDS.** Once collection efforts are commenced by Pathward, any proceeds of sale or disposition of Collateral may be applied by Pathward first to expenses authorized by this Agreement, including Pathward's reasonable attorneys' fees, which Borrower must pay, and the balance to payment of the Obligations in such manner as Pathward may elect. Borrower and the Guarantors remain liable for any deficiency.

18. **NOTICES.** Any notice is effective by either party if sent in writing or facsimile with confirmation of receipt or by certified mail or personal delivery or expedited mail services to the addresses shown on the Schedule.

19. **MISCELLANEOUS PROVISIONS.**

A. This Agreement is binding upon and is for the benefit of Borrower and Pathward, and their respective successors and assigns. However, under no circumstances may Borrower assign this Agreement or its rights and duties hereunder. Pathward may assign this Agreement and its rights under the Loan Documents and Borrower will make payments to any such assignee if so directed.

B. Pathward has the right at any time to assign, transfer, negotiate or sell participations in this Agreement or the Obligations or the rights of Pathward hereunder. In connection with any assignment, Borrower consents to disclosure of any and all books, records, files, Loan Documents and all other documents in the possession or under the control of Pathward.

C. No delay or failure of Pathward in exercising any right or remedy will affect such right or remedy. No delay or failure of Pathward to demand strict adherence to the terms of this Agreement will be deemed to waive Pathward's rights to demand such adherence at any time in the future.

D. The term "including" means "including, without limitation", and the term "includes" means "includes, without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall." The definitions of terms in this Agreement shall apply equally to the singular and plural forms of the terms defined.

E. Except as otherwise provided for in this Agreement and to the fullest extent permitted by applicable law, Borrower and the Guarantors waive: (a) presentment, demand and protest, and notice of presentment, dishonour, intent to accelerate, acceleration, protest, default, non-payment, maturity, release, compromise, settlement, extension or renewal of any or all Loan Documents at any time held by Pathward on which Borrower or the Guarantors may in any way be liable, and hereby ratifies and confirms whatever Pathward may do in this regard; (b) all rights to notice and a hearing prior to Pathward's taking possession or control of, or to Pathward's replevy, attachment or levy upon, any Collateral or any bond or security which might be required by any court prior to allowing Pathward to exercise any of its remedies; and (c) the benefit of all valuation, appraisal and exemption laws. Borrower and the Guarantors acknowledge that they have been advised by counsel of their choices and decisions with respect to this Agreement, the other Loan Documents and the transactions evidenced hereby and thereby and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement or the other Loan Documents.

F. This Agreement and the other Loan Documents will be governed by, interpreted and determined under the laws of the Province of Ontario and the federal laws of Canada applicable therein without any regard to any conflict of laws provisions.

G. Borrower, at Pathward's request, will make, execute and acknowledge any and all further instruments or agreements necessary to carry out the intent of this Agreement and the other Loan Documents.

H. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all signatures were upon the same instrument. Delivery of an executed counterpart of the signature page to this Agreement by facsimile or electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement, and any party delivering such an executed counterpart of the signature page to this Agreement by facsimile or electronic mail to any other party shall thereafter also promptly deliver a manually executed counterpart of this Agreement to such other party, provided that the failure to deliver such manually executed counterpart shall not affect the validity, enforceability, or binding effect of this Agreement.

I. Neither Pathward nor its affiliates directors, officers, agents, attorneys or employees are liable to Borrower, the Guarantors or any of their respective affiliates for any action taken or omitted by it or any of them under the Loan Documents except for such liability as may be imposed by law for gross negligence or actual fraud, and no claim shall be made by Borrower or the Guarantors or any of Borrower's affiliated, directors, officers, agents, employees for any special or consequential damages or punitive damages arising out of, or related to the Loan Documents or the transactions between the Parties.

J. This Agreement and the other Loan Documents represent the complete Agreement between the Parties and the Guarantors with respect to the subject matter of this Agreement, and there are no promises, undertakings, representations or warranties by Pathward relative to the subject matter of this Agreement not expressly set forth in this Agreement or the other Loan Documents. This Agreement and the other Loan Documents may be amended only in writing.

K. If any provision of this Agreement is in conflict with any law or statute or is otherwise unenforceable, then the provision will be deemed null and void only to the extent of such provision and the provision will be deemed severable and the remainder of this Agreement shall be in full force and effect.

L. Any payment made to Pathward by either Borrower or the Guarantors which is subsequently invalidated, declared fraudulent or preferential or otherwise set aside under any bankruptcy, state, provincial, federal or equitable law, then to the extent of such invalidity such payment will be deemed not to have been made and the obligation will continue in full force and effect. This provision shall survive termination of this Agreement.

M. **USA Patriot Act Notification** – The following notification is provided to Borrower pursuant to Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318:

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, United States Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or entity that opens an account, including any deposit account, treasury management account, loan or other extension of credit. We may ask for the name, address, date of birth, and other information that will allow us to identify all Borrowers, principals and owners. We may also ask to see your driver's license or other identifying documents.

20. **RIGHT OF FIRST REFUSAL.** In consideration of Pathward entering into this Agreement and making advances to Borrower, Borrower hereby agrees that it will, within five (5) days of receipt, provide a copy of any proposal letter, term sheet, letter of intent or commitment letter from any lender offering to Borrower a refinancing of the Obligations. Pathward shall have the right of first refusal to match the offer(s) of such other lender(s), and if Pathward advises Borrower that it intends to meet the financial and operational terms set forth in such offers, Borrower will be obligated to enter into an amendment to this Agreement extending the terms of this Agreement for at least the term proposed in such other offer(s), and amending the financial and operational terms as set forth in this Agreement. Notwithstanding the foregoing, Borrower recognizes that this Agreement can only be terminated as provided herein. Failure of Pathward to meet the terms set forth in such letter of interest or commitment letter does not relieve Borrower from its obligations hereunder.
21. **INDEMNIFICATION.** Borrower hereby agrees to indemnify, defend and hold Pathward and its executive committees, parent affiliates, subsidiaries, agents, directors, officers, participants, employees, agents and their successors and assigns (collectively "**Indemnified Parties**") harmless against any and all liabilities of any kind, nature or description and damages whether they are direct, indirect or consequential, including legal fees and other professionals and experts incurred or suffered directly or indirectly by Indemnified Parties or asserted against Indemnified Parties by anyone whatsoever, including Borrower or the Guarantors, which arise out of the Loan Documents or the relationship and transaction between the Parties. This provision shall survive the termination of this Agreement.

22. **INTEREST ACT (CANADA).** Each interest rate which is calculated under this Agreement on any basis other than a full calendar year (the "Deemed Interest Period") is, for the purposes of the Interest Act (Canada), equivalent to a yearly rate calculated by dividing such interest rate by the actual number of days in the Deemed Interest Period, then multiplying such result by the actual number of days in the calendar year (365 or 366).
23. **CRIMINAL CODE.** In no event shall the aggregate "interest" (as defined in Section 347 of the Criminal Code (Canada) (the "Criminal Code")), payable to Pathward under the applicable Note or this Agreement exceed the effective annual rate of interest lawfully permitted under the Criminal Code. Further, if any payment, collection or demand pursuant to the applicable Note and the Agreement in respect of such "interest" is determined to be contrary to the provisions of the Criminal Code, such payment, collection, or demand shall be deemed to have been made by mutual mistake of Pathward and Borrower and such "interest" shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in the receipt by Pathward of interest at a rate not in contravention of the Criminal Code. If any amount in excess of such limit shall have been paid, then such amount shall be credited to the outstanding principal balance of the applicable Note, or if no such amount is outstanding, refunded to Borrower.
24. **JOINT AND SEVERAL OBLIGATIONS.** If more than one person or entity is named as Borrower or Guarantor in this Agreement, all Obligations, representations, warranties, covenants and indemnities of Borrower or Guarantor set forth herein and in the other Loan Documents shall be the joint and several obligations of such persons and/or entities.
25. **JURISDICTION.** BORROWER AND THE GUARANTORS AGREE THAT ANY ACTION TO ENFORCE BORROWER'S OR THE GUARANTORS' OBLIGATIONS TO PATHWARD SHALL BE PROSECUTED IN THE COURTS OF THE PROVINCE OF ONTARIO (UNLESS PATHWARD, IN ITS SOLE DISCRETION, ELECTS SOME OTHER JURISDICTION), AND BORROWER AND THE GUARANTORS SUBMIT TO THE JURISDICTION OF ANY SUCH COURT SELECTED BY PATHWARD. BORROWER AND THE GUARANTORS WAIVE ANY AND ALL RIGHTS TO CONTEST THE JURISDICTION AND VENUE OF ANY ACTION BROUGHT IN THIS MATTER AND BORROWER AND THE GUARANTORS MAY BRING ANY ACTION AGAINST PATHWARD ONLY IN THE COURTS LOCATED IN THE PROVINCE OF ONTARIO.
26. **WAIVER.** ALL PARTIES, INCLUDING BORROWER AND THE GUARANTORS EACH KNOWINGLY AND VOLUNTARILY WAIVE ANY CONSTITUTIONAL RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, DISPUTE OR CONFLICT BETWEEN THE PARTIES OR UNDER THE LOAN DOCUMENTS AND AGREE THAT ANY LITIGATION SHALL BE HEARD BY A COURT OF COMPETENT JURISDICTION SITTING WITHOUT A JURY. BORROWER AND THE GUARANTORS ACKNOWLEDGE THAT THEY HAVE HAD THE OPPORTUNITY TO REVIEW THE EFFECT OF THIS PROVISION WITH COUNSEL OF THEIR CHOICE.
27. **RELEASE.** BORROWER AND THE GUARANTORS RELEASE AND FOREVER DISCHARGE PATHWARD, ITS AFFILIATES, OFFICERS, AGENTS, EMPLOYEES AND DIRECTORS FROM ANY AND ALL CLAIMS OF ANY KIND WHATSOEVER FROM THE BEGINNING OF TIME TO DATE OF THIS AGREEMENT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

The parties have executed this Agreement as of the date and year first written above.

PATHWARD, NATIONAL ASSOCIATION

By: Jonathan Daniels
 Name: Jonathan Daniels
 Its: VP

I have the Authority to Bind the Association.

BORROWER:

FALCON XPRESS TRANSPORTATION GROUP INC.

By: Jarnail Sidhu
 Name: JARNAIL SIDHU
 Its: PRESIDENT

I have the Authority to Bind the Corporation

By signing this Agreement, the undersigned Guarantors agree that such Guarantors have read and understand the Agreement and agrees to all of its terms.

GUARANTORS:

2593548 ONTARIO INC.

By: Jarnail Sidhu
 Name: JARNAIL SIDHU
 Its: PRESIDENT

I have the Authority to Bind the Corporation

6086 MAYFIELD INC.

By: Jarnail Sidhu
 Name: JARNAIL SIDHU
 Its: PRESIDENT

I have the Authority to Bind the Corporation

Jarnail Sidhu
 JARNAIL SINGH SIDHU, individually

[Signature page to Loan Agreement]

SCHEDULE TO LOAN AGREEMENT

This Schedule is part of the Loan Agreement dated as of May 13, 2025 (the "Agreement") between:

PATHWARD, NATIONAL ASSOCIATION ("Pathward")
5480 Corporate Drive, Suite 350
Troy, Michigan 48098

AND

FALCON XPRESS TRANSPORTATION GROUP INC. ("Borrower")
6086 Mayfield Road
Caledon East, Ontario L7C 0Z7

(The following paragraph numbers correspond to paragraph numbers contained in the Agreement)

2. LOAN; LOAN ADVANCES.

Advance Formula: Advances under the Loan shall be measured against a percentage of Eligible Accounts as specified below.

- (i) the Canadian Loan Amount may not exceed an amount which is the lesser of:
 - (1) Six Million Five Hundred Thousand Canadian Dollars (C\$6,500,000) ("Canadian Line of Credit Maximum Amount"); or
 - (2) ninety-five percent (95%) of Eligible CAD Accounts (the "Canadian Line of Credit Advance Formula"); and
- (ii) the US Loan Amount may not exceed an amount which is the lesser of:
 - (1) Two Million US Dollars (US\$2,000,000) ("US Line of Credit Maximum Amount"); or
 - (2) ninety-five (95%) percent of Eligible USD Accounts (the "US Line of Credit Advance Formula").

Pathward in its sole discretion may raise or lower any percentage advance rate with respect to either or both Advance Formula. To the extent any currency exchange is required in connection with the calculation of the Advance Formula, such calculation shall be based on exchange rates determined by Pathward in accordance with its customary practice. The Maximum Amount at any time shall be calculated by Pathward and, to the extent any currency conversion is required in connection with the calculation of the Maximum Amount, shall be based on exchange rates determined by Pathward in accordance with its customary practice. Pathward shall be permitted to establish reserves as determined by Pathward in its sole discretion, including, but not limited to, reserves with respect to potential preferential creditor or employee related claims (including, but not limited to, claims in respect of Wage Earner Protection Program Act ("WEPPA"), past due government source deductions or sales tax related remittances).

"Accounts" shall have the meaning given to it in the PPSA.

"Eligible Accounts" means and includes those Accounts:

- (i) which are payable in Canadian Dollars or US Dollars;
- (ii) which have been validly assigned to Pathward;
- (iii) strictly comply with all of Borrower's promises, warranties and representations to Pathward;
- (iv) contain payment terms of not greater than sixty (60) days from the date of invoice;

- (v) are not past due more than ninety (90) days past the date of invoice; and
- (vi) are invoiced not later than ten (10) days from the date of service or sale.

"Eligible CAD Accounts" means and includes those Eligible Accounts which are payable in Canadian Dollars.

"Eligible USD Accounts" means and includes those Eligible Accounts which are payable in US Dollars.

Eligible Accounts shall not include the following:

- (a) Accounts with respect to which the Account Debtor is an officer, employee or agent of Borrower;
- (b) Accounts with respect to which services or goods are placed on consignment, guaranteed sale, or other terms by reason of which the payment by the Account Debtor may be conditional;
- (c) Accounts with respect to which the Account Debtor is not a resident of the United States or Canada; provided, however, that the eligibility of any Accounts originating from the Province of Quebec shall be determined by Pathward in its sole discretion;
- (d) Accounts with respect to which the Account Debtor is the United States, Canada or any department, agency or instrumentality of the United States or of Canada; unless, Borrower has completed all of the steps necessary, in the sole opinion of Pathward, to comply with the Federal Assignment of Claims Act of 1940 (31 U.S.C. Section 3727) or applicable Canadian laws with respect to such Account;
- (e) Accounts with respect to which the Account Debtor is any state of the United States, any province of Canada or any city, town, municipality, county or division thereof;
- (f) Accounts with respect to which the Account Debtor is a subsidiary of, related to, affiliated with, or has common shareholders, officers or directors with Borrower, including without limitation the Guarantors and the entities comprising the Falcon Motor Xpress Group of Companies;
- (g) Accounts with respect to which Borrower is or becomes liable to the Account Debtor for goods sold or services rendered by the Account Debtor to Borrower;
- (h) Accounts where Pathward has notified Borrower that, in Pathward's sole discretion, the Account or Account Debtor is not acceptable to Pathward;
- (i) all of the Accounts owed by an Account Debtor who is the subject of a bankruptcy, receivership or similar proceeding;
- (j) Accounts for which the services have not yet been rendered to the Account Debtor or the goods sold have not yet been delivered to the Account Debtor (commonly referred to as "pre-billed accounts");
- (k) all of the Accounts owed by an Account Debtor where twenty-five (25%) percent or more of all of the Accounts owed by that Account Debtor are more than ninety (90) days from the invoice date;
- (l) Accounts not previously approved by Pathward where the expected dollar value for such Account Debtors is greater than twenty-five (25%) percent of Borrower's existing Accounts, subject to review and change by Pathward from time to time;
- (m) Accounts for which the Account Debtor is billed using a progress billing structure;
- (n) Accounts to the extent of any concessions, offsets, deductions, contras, returns, chargebacks or understandings with the Account Debtor therein that in any way could adversely affect the payment of, or the amount of, such Account;
- (o) COD, credit card sales and cash sales; and
- (p) Accounts are disputed.

Pathward will determine in its sole discretion whether any Collateral is eligible for an Advance, but no Collateral will be considered eligible unless the requirements set forth above are met. Regardless of whether any Collateral is eligible, it is still part of the Collateral securing the Obligations.

Prior to any request for an Advance, upon request by Pathward, Borrower must furnish to Pathward invoices (including the two (2) highest dollar value invoices for each week which shall be delivered without request by Pathward) credit memos, sales and cash receipt journals, purchase orders, evidence of delivery, proof of shipment, timesheets or any other documents Pathward requests, in its sole discretion, with respect to the Collateral to support the Advance. Pathward will endeavor to provide the requested funds by the end of the same business day that it receives the request so long as the complete package of information for the request has been received by 10:30 a.m. Eastern Time that day. All requests for funding will be subject to Pathward's then standard fees for electronic funds transfer, wire transfers and cheque services.

Each time an Advance is made, the amount of the Obligations will be increased by the amount of the Advance. On the later of one (1) business day (the "Clearance Day") after cheques, ACH or wire transfers or other credit instruments are deposited in the Blocked Account, Pathward will credit the Loan Account with the net amount actually received, whereupon interest will no longer be charged. On the date the net funds actually received, Borrower will receive immediate credit on such funds in determining availability for Advances.

4. **FEES AND EXPENSES.** The following fees will be paid by Borrower:

Loan Fee: At closing of the Loan (the "Closing Date") and on each anniversary of the date of the Agreement, Borrower will pay Pathward a loan fee in the aggregate amount of zero point five (0.50%) percent of both the Canadian Line of Credit Maximum Amount and the US Line of Credit Maximum Amount, which will be fully earned as of such date and not refundable in any event.

Late Reporting Fee: Borrower will pay Pathward a late reporting fee in an amount equal to US\$150.00 per document per business day for any day in which any report, financial statement or schedule required by the Agreement is delivered late.

Blocked Account Fee: Each month Borrower will pay all costs in connection with the Blocked Account, as determined by Pathward from time to time.

Exit Fee: Borrower may elect to prepay the Obligations but only upon the payment of all Obligations including the following exit fee ("Exit Fee"), as liquidated damages and not as a penalty: (i) prior to the one year anniversary date of the Agreement, the Exit Fee will be two (2.00%) percent of the Canadian Line of Credit Maximum Amount and the US Line of Credit Maximum Amount and (ii) on and after the one (1) year anniversary date of the Agreement and before the two (2) year anniversary date of the Agreement, the Exit Fee will be one (1.00%) percent of the Canadian Line of Credit Maximum Amount and the US Line of Credit Maximum Amount, provided that no Exit Fee is payable if Borrower elects to prepay the Obligations on or after the one (1) year anniversary date by refinancing with a Canadian bank or credit union as determined by Pathward in its sole discretion. No partial prepayment will affect Borrower's obligation to continue the regular payments due under the Note.

The Exit Fee shall automatically renew on each anniversary date of the Agreement following the two (2) year anniversary date of the Agreement for an additional twelve (12) month period unless (i) Borrower notifies Pathward in writing within sixty (60) days before the end of the applicable twelve (12) month period of Borrower's intention to terminate the Agreement and (ii) the Obligations are paid in full by the end of the applicable twelve (12) month period. In the event that a Default has occurred and is continuing at the time Pathward demands payment of the Obligations, the Exit Fee will be due and payable by Borrower.

Minimum Line of Credit Loan Balance. Borrower shall maintain an aggregate average outstanding principal balance of the Loan of Two Million Canadian Dollars (C\$2,000,000) ("Minimum Line of Credit Loan Balance"). If the actual aggregate average outstanding principal balance of the Canadian Loan Amount and Canadian Dollar equivalent of the US Loan Amount in any month is less than the Minimum Line of Credit Loan Balance, Borrower must pay interest for such month calculated on the Minimum Line of Credit Loan Balance.

5. **BLOCKED ACCOUNT.**

The "**Blocked Account**" means, collectively, certain deposit accounts at Bank of Montreal in the name of Borrower identified below, and any other deposit account opened by Borrower to replace the aforementioned deposit account after obtaining Pathward's prior written consent, into which payments due to borrower are to be delivered or deposited. The "Blocked Account" for the Loan means:

Bank of Montreal
C\$ Blocked Account #00022-1556-921
US\$ Blocked Account #00022-4501-220

10. **REPRESENTATIONS.**

Borrower makes the following additional representations:

(A) Borrower and each corporate Guarantor are each an Ontario corporation.

(E) List pending and threatened litigation and unsatisfied judgments: Nil.

(G) List security interests in the Borrower Collateral held by creditors other than Pathward as Permitted Encumbrances:

Secured Party	Registration No./ File No.
Lithia Canada Leasing GP, Inc.	514254708
2438231 Ontario Inc.	512247852
BVD Petroleum Inc.	
BVD Equipment Finance Inc.	
Grand Touring Financial Services	511920702
Royal Bank of Canada	506593539
Royal Bank of Canada	506204955
BVD Equipment Finance Inc.	797166216
BVD Equipment Finance Inc.	795307356
Indcom Leasing Inc.	794807955
Bodkin, A Division of Bennington Financial Corp.	794591892
The Bank of Nova Scotia	785036259
TD Auto Finance (Canada) Inc.	780501879
The Bank of Nova Scotia	775333863
Royal Bank of Canada	774875826
Toyota Industries Commercial Finance Canada, Inc.	767813427
Royal Bank of Canada	766858599
Royal Bank of Canada	766774422
Ford Credit Canada Company	762787134

If requested by Pathward, Borrower is required to deliver subordination(s) and/or priority agreement(s) in respect of the Permitted Encumbrances to confirm the Borrower Security Interest of Pathward in the form approved by Pathward in its sole discretion.

(K) List Borrower's Tradenames: Nil.

11. **BORROWER'S PROMISES:**

C. BORROWER CLAIMS THRESHOLD: C\$20,000.00 (Including any equivalent amount in another currency).

F. REQUIRED INSURANCE. Without limiting Pathward's requirement for insurance coverage, which may change from time to time, the following is/are the minimum insurance requirements:

General and Professional Liability: "Pathward, National Association, ISAOA" named as Additional Insured for an amount not less than the smallest amount required under any contract with any Account Debtor.

12. **NEGATIVE COVENANTS:**

C. OBLIGATION THRESHOLD: C\$20,000.00 (including any equivalent amount in another currency).

13. **FINANCIAL REPORTS:**

Annual Financial Statements: Each year, Borrower and each corporate Guarantor will deliver to Pathward internally prepared annual financial statements, cash flow statements, balance sheets and profit and loss statements. Such reports will set forth in detail Borrower's and each corporate Guarantor's financial affairs and the true financial condition as of the end of their respective fiscal years and will be delivered to Pathward no later than one hundred twenty (120) days after the end of their respective fiscal years.

Quarterly Financial Statements: Each quarter, Borrower will deliver to Pathward internally prepared financial statements, cash flow statements, balance sheets and profit and loss statements for each quarter year then ended. Such reports will set forth in detail Borrower's financial affairs and the true financial condition for such time period and will be delivered to Pathward no later than thirty (30) days after the end of each quarter.

Guarantor's Personal Financial Statements. Upon request, each individual Guarantor will provide Pathward annual personal financial statements on forms supplied by Pathward. Such reports will set forth with detail each individual Guarantor's financial affairs and the true financial condition of such Guarantor, as of the end of each calendar year and shall be delivered to Pathward on the earlier of April 30 or one hundred twenty (120) days after the end of such calendar year.

All financial statements are and will be prepared in accordance with GAAP applied on a consistent basis.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board that are applicable to the circumstances as of the date of determination and applied on a consistent basis.

Accounts Receivable and Accounts Payable Aging Reports: Borrower will furnish to Pathward the following certified to by the president or chief financial officer of Borrower within the time periods set forth:

- (a) **Accounts Receivable Reports:** Monthly detailed Accounts Receivable Aging Reports no later than fifteen (15) days after the end of each month.

- (b) **Accounts Payable Reports:** Monthly detailed Accounts Payable Aging Reports no later than fifteen (15) days after the end of each month.
- (c) **Accounts Receivable (New Sales) Reports:** Weekly detailed Accounts Receivable (New Sales) Reports, which are required to be uploaded not less than weekly and on the date of each Advance to support the Advance.

Tax Returns: Upon request, Borrower and the Guarantors will each provide Pathward with current annual tax returns prior to one hundred and twenty (120) days after the end of each financial year end, if a corporation, and by April 30 of each year, if an individual or if an extension is filed, at the earlier of (a) filing, or (b) the extension deadline.

Field Examinations: Borrower will reimburse Pathward for the costs to perform two (2) field examinations per year of Borrower's books and records, assets and liabilities, to be performed by Pathward's inspector, whether a Pathward officer or an independent party with all expenses (whether for a Pathward employee or otherwise), including all out of pocket expenses including, but not limited to, transportation, hotel, parking, and meals. Upon Default, Pathward will be entitled to perform as many field examinations per year of Borrower's books and records, assets and liabilities as considered necessary in Pathward's sole discretion, which are to be reimbursed by Borrower. Field examinations are performed for Pathward's internal use and Pathward has no obligation to provide Borrower with the results of the examination or copies of any reports or work papers in whole or in part.

Tax Deposit Evidence: Upon request, Borrower shall deliver to Pathward (i) monthly payroll summaries and evidence of tax payments together with copies of bank statements from which the funds are impounded for monitoring under WEPPA ("WEPPA Requirements"); and (ii) a screenshot from the Canadian Revenue Agency for monitoring sales tax, harmonized sales tax, and the goods & services tax ("CRA Requirements"). The WEPPA Requirements and the CRA Requirements shall both be submitted to Pathward no later than fifteen (15) days after the end of each month.

Customer Lists: Upon Pathward's request, Borrower will deliver to Pathward detailed customer lists showing the customer's name, address, phone number and any other information Pathward reasonably requests.

Other Information: Borrower and the Guarantors will also deliver to Pathward such other financial statements, financial reports, documentation, tax returns and other information as Pathward requests from time to time.

18. **NOTICES.** Addresses for Notices are as set forth at the beginning of this Schedule.

[SIGNATURE PAGE FOLLOWS]

The parties have executed this Schedule as of the date and year first written above.

PATHWARD, NATIONAL ASSOCIATION

By: Jonathan Daniels
 Name: Jonathan Daniels
 Its: VP

I have the Authority to Bind the Association.

BORROWER:

FALCON XPRESS TRANSPORTATION GROUP INC.

By: Jarnail Sidhu
 Name: JARNAIL SIDHU
 Its: PRESIDENT

I have the Authority to Bind the Corporation

GUARANTORS:

2593548 ONTARIO INC.

By: Jarnail Sidhu
 Name: JARNAIL SIDHU
 Its: PRESIDENT

I have the Authority to Bind the Corporation

6086 MAYFIELD INC.

By: Jarnail Sidhu
 Name: JARNAIL SIDHU
 Its: PRESIDENT

I have the Authority to Bind the Corporation

Jarnail Sidhu
 JARNAIL SINGH SIDHU, individually

TAB | 2

AMENDED AND RESTATED PROMISSORY NOTE

Principal Amount: \$13,283,086.60 CND & \$556,393.69 US

DUE DATE: January 15, 2026

For value received, the undersigned, FALCON XPRESS TRANSPORTATION GROUP INC., FALCON MOTOR XPRESS LTD., FALCON MOTOR FREIGHT LTD. 6086 MAYFIELD INC. (collectively, the **"Maker"**) hereby jointly and severally, promises to pay to, or to the order of 2438231 ONTARIO INC., BVD PETROLEUM INC., BVD EQUIPMENT FINANCE INC. collectively, (the **"Holder"**) at such other place as the Holder may designate from time to time to the Maker in writing the principal sum of **THIRTEEN MILLION TWO HUNDRED EIGHTY-THREE THOUSAND EIGHTY-SIX DOLLARS AND SIXTY CENTS (\$13,283,086.60 CND)** and **FIVE HUNDRED FIFTY-SIX THOUSAND THREE HUNDRED NINETY-THREE DOLLARS AND SIXTY-NINE CENTS (\$556,393.69 US)** (collectively the **"Principal Amount"**) together with interest on the Principal Amount or portion thereof remaining unpaid from time to time at the rate and calculated in the manner set out below.

The unpaid Principal Amount, together with accrued and unpaid interest thereof, shall be due and payable in full on January 15, 2026 (the **"Due Date"**). The unpaid Principal Amount hereof shall bear interest until the Due Date, and before and after default, at the rate of twelve (**12.00%**) percent per annum (the **"Applicable Rate"**), calculated and payable monthly not in advance.

1. The Maker acknowledges that the within Promissory Note is not transferable or assumable by any other party.
2. If there is any failure to pay the Principal Amount or the accrued interest when such payment is due, then, at the election of the Holder, the balance of the Principal Amount and all interest due under this Promissory Note shall immediately become due and payable.
3. All payments made under this Promissory Note, and any other payment which is accepted by the Holder from time to time, shall be applied first in satisfaction of any overdue interest, then in satisfaction of any accrued and unpaid interest, and finally the remaining portion of such payment shall be applied in satisfaction of the Principal Amount or any portion thereof then outstanding.
4. Interest at the Applicable Rate shall be calculated on interest which is overdue under this Promissory Note and shall be payable on demand.
5. The extension of the time for making any payment which is due and payable under this Promissory Note at any time or times, or the failure, delay or omission on the part of the Holder to exercise or enforce any rights or remedies of the Holder under this Promissory Note, shall not constitute a waiver of the right of the Holder to enforce such rights and remedies thereafter.
6. Upon default, this Promissory Note may be enforced in the courts of any province of Canada. This Promissory Note shall be construed in accordance with the laws of and applicable to the Province of Ontario, Canada.
7. The Maker, for itself and its successors and permitted assigns, hereby unconditionally and irrevocably waives any rights of set-off, netting, offset, recoupment, or similar rights that the Maker or any of its successors and permitted assigns has or may have with respect to the payment of the Principal Amount and interest due or to become due hereunder, or any other payments to be made by the Maker pursuant to this Promissory Note or any other document or instrument delivered by the Maker.

8. This Promissory Note is to be treated as a negotiable instrument and all persons are invited by the Maker to act accordingly. Presentment for payment, protest, notice of protest and notice of dishonour of this Promissory Note are all hereby waived. All payments shall be made by bank draft or certified cheque from the Maker's Canadian bank account.
9. This Promissory Note amends and supersedes the Promissory Note entered between FALCON XPRESS TRANSPORTATION GROUP INC., FALCON MOTOR XPRESS LTD., FALCON MOTOR FREIGHT LTD. and Holder dated December 20, 2024.
10. This Promissory Note amends and supersedes the Promissory Note entered between FALCON XPRESS TRANSPORTATION GROUP INC., FALCON MOTOR XPRESS LTD., FALCON MOTOR FREIGHT LTD. 6080 MAYFIELD INC. and Holder dated May 14, 2025.
11. Provision for Charge. This Promissory Note constitutes an agreement that provides for a charge to secure the payment of a debt or the performance of an obligation. The undersigned hereby charges, mortgages, assigns, hypothecates, and pledges the following property(ies):
 1. 6086 MAYFIELD RD., CALEDON, ON, LEGALLY DESCRIBED AS PIN: 14348-0627 (LT) BEING PART OF LOT 1 CONCESSION 1 (GEOGRAPHIC TOWNSHIP OF ALBION) TOWN OF CALEDON BEING PART 1 ON 43R-41814; TOWN OF CALEDON), and
 2. 0 COLERAINE DR., BRAMPTON, ONTARIO, LEGALLY DESCRIBED AS PT LT 16 CON 11 ND TORONTO GORE AS IN RO741664; BRAMPTON- PIN: 14213-0092 (LT), REGISTERED AS INSTRUMENT PR4416406

(COLLECTIVELY THE "PROPERTY")

The above charge is in favour of the Lender, as and by way of a fixed and specific charge and mortgage, as security for the due and punctual payment of all principal and interest set out herein.

12. This Promissory Note may be executed by the parties in separate counterparts each of which when so executed and delivered to all of the parties shall be deemed to be and shall be read as a single agreement among the parties. Execution of this Promissory Note by any of the parties may be evidenced by way of pdf, e-mail, other electronic means and fax, and such electronic or faxed execution shall be deemed to constitute the original signature of such party to this Promissory Note.

DATED this 20 day of MAY, 2025.

FALCON MOTOR EXPRESS LTD.

PER: 

Jarnail Singh Sidhu, President

I have the authority to bind the corporation.

15114764 CANADA INC.

PER: 

Jarnail Singh Sidhu, President

I have the authority to bind the corporation.

FALCON MOTOR FREIGHT LTD.

PER: 

Jarnail Singh Sidhu, President

I have the authority to bind the corporation.

FALCON XPRESS TRANSPORTATION GROUP INC.

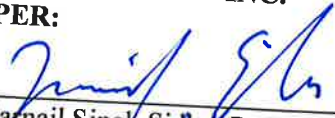
PER: 

Jarnail Singh Sidhu, President

I have the authority to bind the corporation.


6086 MAYFIELD INC.

PER:


Jarnail Singh Sidhu, President
I have the authority to bind the corporation.

Witness:


Manraj S. Mann
Barrister, Solicitor & Notary Public
218 Export Blvd - Suite 608
Mississauga, Ontario
T: 905-956-7700
F: 647-557-8748


Jarnail Singh Sidhu

TAB | 3

CAMERON
STEPHENS

MORTGAGE CAPITAL

May 9, 2025

6086 Mayfield Inc.
c/o
Lantern Capital
18-5270 Solar Drive
Mississauga, ON, L4W 0G7

Attention: Harvin Singh and Jarnail Sidhu

Re: **Commitment for Mortgage Financing – 6086 Mayfield Road, Caledon, ON**

Cameron Stephens is pleased to advise that it is prepared to offer the following loan facility, subject to the terms and conditions contained herein, including all Schedules attached hereto (collectively, the letter and Schedules are the “**Commitment**”).

1. Borrower

6086 Mayfield Inc. (the “**Borrower**”), being the registered owner of the Project (as hereinafter defined)
2. Guarantor(s)

Jarnail Sidhu, Falcon Xpress Transportation Group and 2593548 Ontario Inc., together with any other individual or entity that controls, either directly or indirectly, 25% or more of any of the foregoing corporations or any beneficial owner of the Real Property (collectively the “Guarantors” and together with the Borrower, the “Loan Parties” and each, a “Loan Party”) shall fully and unconditionally, on a joint and several basis, guarantee and indemnify the Lender for 100% of all obligations of the Borrower to the Lender under the Loan Facility, and all the Lender’s costs, interest, fees and payments due or owing in connection with the Loan Facility, including, without limitation, the Commitment Fee.
3. Lender

Cameron Stephens Mortgage Capital Ltd. (“**CSMC**”) (the “**Lender**”)
4. Loan Amount, Structure

Facility 1

\$16,000,000 1st Mortgage Land Loan (the “**Loan Facility**”)

To be advanced as:

\$12,700,000

Facility 1 - Tier I

\$3,300,000

Facility 1 - Tier II

(Individually, “Facility 1 – Tier I” and “Facility 1 – Tier II”, respectively; collectively the “**Loan Facility**”)

6086 Mayfield Inc.
6086 Mayfield Road, Caledon, ON
May 9, 2025

- 5. Purpose of Loan** To provide 1st Mortgage Land Financing for the subject property, advanced in two tiers, to be utilized as follows:

Uses of Funds	Amount (\$)	Amount (%)
Repay Existing RBC Mortgage	\$ 12,100,000	75.63%
Commitment Fee - CSMC	\$ 320,000	2.00%
Broker Fee	\$ 100,000	1.00%
Closing Costs/ETO	\$ 120,000	0.75%
Total Use of Funds - Tier I	\$ 12,700,000	79.38%
Funds to Reimburse Costs for Construction of Ring Road & SWM	\$ 3,300,000	20.63%
Total Use of Funds - Tier II	\$ 3,300,000	20.63%
Total Use of Funds	\$ 16,000,000	100.00%

\$120,000 / 0.75%

J.S.
DS

Note: Facility 1 - Tier I will repay the existing outstanding debt on the property provided by RBC, fund CSMC's Commitment Fee, fund the Broker Fee and fund Closing Costs/ETO for the subject loan. Facility 1 - Tier II will be provided to the Borrower to reimburse the Borrower for the front ended costs to construct the required ring road and stormwater management pond, once certain pre-funding conditions are met for Facility 1 - Tier II as stipulated in this Commitment.

6. Project and Description

"6086 Mayfield Road" being a 12.30 gross/net acre industrial property currently improved with a 4,450 SF office (converted from a residential dwelling) and a 4,600 SF mechanical shop/warehouse. The subject property is presently zoned for Prestige Industrial and Serviced Industrial. These zoning designates allow for various industrial uses, with the rear portion of the property permitting outside storage, while the front portion prohibits such uses. The subject property is also subject to a Zoning By-law Holding Provision, which restricts development until specific conditions are met. These conditions generally relate to municipal approvals, servicing availability, and compliance with planning requirements. The Borrower is pursuing development approvals to improve the site with ~958,000 SF of industrial GFA and 344 outside parking stalls.

Municipal Address: 6068 Mayfield Road, Caledon, Ontario

Legal Description: PART OF LOT 1 CONCESSION 1 (GEOGRAPHIC TOWNSHIP OF ALBION) TOWN OF CALEDON BEING PART 1 ON 43R-41814; TOWN OF CALEDON

PIN: 14348-0627 (LT)

(hereinafter the "Project", "Property" or "Real Property")

7. Financing Program

12.3

Uses of Funds	Total (\$)	Per Acre	Total (%)
Land Value	\$ 23,677,500	\$ 1,925,000	97.53%
Commitment Fee - CSMC	\$ 320,000	\$ 26,016	1.32%
Broker Fee	\$ 160,000	\$ 13,008	0.66%
Closing Costs/ETO	\$ 120,000	\$ 9,756	0.49%
Total Uses of Funds	\$ 24,277,500	\$ 1,973,780	100.00%
Sources of Funds	Total (\$)	Per Acre	Total (%)
CSMC 1st Mortgage	\$ 16,000,000	\$ 1,300,813	65.90%
Borrower's Equity	\$ 8,277,500	\$ 672,967	34.10%
Total Sources of Funds	\$ 24,277,500	\$ 1,973,780	100.00%

6086 Mayfield Inc.
6086 Mayfield Road, Caledon, ON
May 9, 2025

- 8. Interest Rate** Interest will accrue at 11.60% / Prime + 6.15% per annum (greater of) (the “**Interest Rate**”) and shall be payable on the funds advanced by the Lender. “**Prime**” means the prime rate of interest announced by the Royal Bank of Canada as a reference rate then in effect for determining interest rates on loans in Canada.

Interest on the Loan Facility shall be calculated daily and compounded and payable monthly not in advance based on the number of days that the loan is outstanding. Compound interest at the Interest Rate shall accrue on overdue interest from the payment date such overdue interest was payable on, both before and after maturity or demand, and before and after default or judgment, until paid. If the overdue interest and interest on such overdue interest are not paid by the next regular interest payment date after the default, then such overdue interest and compound interest on such overdue interest shall be added to the principal amount of the Loan Facility, and continue to bear interest at the Interest Rate, compounded and payable on each date that interest is regularly payable under the Loan Facility, until paid, both before and after maturity or demand, and before and after default or judgment.

- 9. Closing Date** The closing shall occur no later than May 31, 2025 (the “**Closing Date**”) unless, prior thereto, the Borrower and the Lender agree in writing (including by email) that the Closing Date shall be some other date.

If the closing does not take place by the Closing Date and the parties have not agreed in writing to an extension, this Commitment shall terminate at 5:00 p.m. on the Closing Date and the Lender shall have no obligation to make any advance, including the full or initial advance of the Loan Facility after such time and all amounts payable to the Lender under this Commitment shall become immediately due and payable unless the failure to close is a result of the Lender.

- 10. Term, Maturity** The Loan Facility shall be repayable upon demand by the Lender. However, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, the Lender acknowledges the Borrower’s proposed repayment schedule forecasts the repayment of the Loan Facility, including interest, within 12 months of the first day of the month following the first advance of funds under the Loan Facility (the “**Maturity Date**”). Subject to neither the Borrower nor the Guarantor having defaulted in any obligations under the Loan Facility or Mortgage during the term described above, at the Lender’s sole discretion and option, two (2) extensions of three (3) months each may be granted, subject to the payment of Fees (including the Extension Fee, as hereinafter defined).

- 11. Full Recourse** The Lender shall have full recourse to the Borrower, each of the other Loan Parties and all of their respective assets and property for all of their respective covenants, obligations, and liabilities under the Loan Facility, subject to any limitations on liability set out in guarantee.

- 12. Commitment Fee** In consideration for the time, effort and expense incurred by the Lender and its officers and employees in reviewing the financial and other information provided by the Borrower, and in conducting investigations, inspections and other due diligence necessary to prepare and approve the Loan Facility, each of the Borrower and Guarantor jointly and severally agree to pay the Lender an evaluation and processing fee of \$320,000 (the “**Commitment Fee**”).

The Commitment Fee is deemed fully earned and payable upon the Commitment being executed by the Borrower and Guarantor, whether or not the Loan Facility is advanced, and:

- (a) the Borrower and Guarantor acknowledge and agree (i) that the Commitment Fee represents compensation to the Lender for its efforts and expenses, including opportunity costs, associated with the Lender’s consideration of the Commitment; (ii) that the Commitment Fee is payable regardless of whether the Loan is advanced; and

6086 Mayfield Inc.
6086 Mayfield Road, Caledon, ON
May 9, 2025

(b) the Borrower and Guarantor acknowledge and agree that if the Borrower fails to close the Loan that the Commitment Fee is fully payable to the Lender.

\$320,000	Total Commitment Fee Due
(\$100,000)	Less payment received through "Good Faith" payment
\$220,000	Commitment Fee balance payable

The Borrower will pay the unpaid balance of the Commitment Fee from the first advance of funds under the Loan Facility.

Provided, however, that if there is a default by the Borrower under the terms of this Commitment, any unpaid balance of the Commitment Fee shall be paid upon demand. The Borrower acknowledges that these fees are payable in full to the Lender as a genuine pre-estimation of liquidated damages, and not as a penalty for non-performance, without prejudice to the right of the Lender to claim such further and other damages as it may sustain.

13. Payments

The Loan Facility shall be repayable as follows:

- a) Interest at the Interest Rate on the principal amount of Facility 1 - Tier I from the Closing Date (or such earlier date as funds may be requisitioned by the Borrower even if funds are not advanced on such date due should not all conditions precedent be fulfilled) to the first day of the first month after the Closing Date (the "Interest Adjustment Date") shall be deducted from the advance on the Closing Date.
- b) Interest only monthly payments at the Interest Rate on the outstanding principal shall be payable monthly in arrears on the first day of each month of the Term commencing one month after the Interest Adjustment Date. The Borrower agrees to make payments by way of pre-authorized debits to the Borrower's Project account, or at the Lender's option, payments may be deducted from the loan advances.
- c) The balance of principal and interest and all other outstanding amounts payable under the Loan Facility shall be repayable in full on the Maturity Date.

14. Extension Fee

Where the Loan Facility is not paid in full by the Maturity Date, the Lender and Borrower may agree upon an extension of time for repayment of the Loan Facility. Any extensions will be in three-month increments. For each extension that is granted by the Lender, an extension fee will be payable, calculated by multiplying the outstanding principal amount of the Loan Facility by 0.50% (each such fee being an "Extension Fee").

15. Letter of Credit Fees

N/A

16. Over Holding Fee

If the Loan Facility is not repaid in full, renewed or extended by the Maturity Date, in addition to any other rates, fees and costs to be paid pursuant to this Commitment, the Borrower shall pay to the Lender an over holding fee, calculated daily, not in advance, commencing on the first day after payment of the Loan Facility was due but not paid. The fee is calculated by multiplying 200 basis points by the outstanding principal amount of the Loan Facility and dividing the sum by 365 (the "Over Holding Fee").

The Borrower acknowledges that the requirement to pay the Over Holding Fee is not an extension of the Loan Facility, and the failure to repay the Loan Facility on the Maturity Date, or to obtain a renewal or extension, will be a default by the Borrower under the Commitment and Security, notwithstanding payment of the Over Holding Fee. The Borrower further acknowledges that the Over Holding Fee will be added to the outstanding principal balance of the Loan Facility.

6086 Mayfield Inc.
6086 Mayfield Road, Caledon, ON
May 9, 2025

17. Other Fees and Expenses

The Borrower shall pay all reasonable legal fees and disbursements in respect of this Commitment, including the preparation, issuance, amendment, renewal or extension of the Security, all reasonable fees and costs relating to appraisals, insurance consultation, environmental reports and consultation, credit reporting and responding to demands of any government or any agency or department thereof, whether or not the documentation is completed or any funds are advanced under this Commitment.

Where the Borrower requests any of the services shown in **Schedule "A"** hereto, or an event occurs as shown therein, the Borrower shall pay the cost shown.

18. Prepayment

The Borrower may prepay the Loan Facility, subject to the following conditions:

- i. Where the date of payment of the outstanding balance of the Loan Facility is made more than six (6) calendar months after the Closing Date, and where the Borrower has met all of its obligations under the Loan Facility and Mortgage, upon receipt of no less than fourteen (14) days' written notice, the outstanding balance of the Loan Facility may be prepaid without prepayment charge.
- ii. Where the date of payment of the outstanding balance of the Loan Facility is made less than six (6) calendar months after the Closing Date, such payment shall be subject to a prepayment charge equal to the applicable Minimum Interest Amount. The Minimum Interest Amount means, in respect of any prepayment, a total amount of interest paid to the Lender under the Loan prior to such prepayment of not less than 6 months interest.

In either case, such Prepayment Amount to be calculated by the Lender using the Lender's normal criteria for such calculations, and which calculations shall (except in the case of obvious error) be conclusive.

19. Partial Discharges

N/A. Partial discharges against any portion of the Real Property will not be permitted without the consent of the Lender in its sole discretion

20. Conditions

I. Security:

All indebtedness of the Borrower pursuant to this Commitment will be secured and supported by the documents described below (collectively, the "**Security**"), each to be in form and substance satisfactory to the Lender and its solicitors.

- a. Mortgage with a principal amount of \$19,200,000 (1.2x the loan amount for administrative purposes) granting a first fixed charge against the Project and an Assignments of Rents therefrom.
- b. An Application to Annex Restrictive Covenants S.118 to restrict any further Charge/Mortgage or encumbrance of the Property without the Lender's prior written consent.
- c. The joint and several personal guarantee of Jarnail Sidhu and joint and several corporate guarantees of Falcon Xpress Transportation Group Inc. and 2593548 Ontario Inc. for 100% of the loan amount plus interest and expenses and an assignment and postponement of claims by Guarantor and all shareholders of the Borrower relating to any claims against the Borrower.
- d. General Security Agreement registered under the Personal Property Security Act Ontario granting a first general assignment of:
 - Book Debts, Rents and Leases of the Borrower in respect to the Project.
 - All present and after acquired personal property of the Borrower;
 - All material contracts and third-party reports affecting the Property;
 - Rights of the Borrower (a) under all building/development permits and the monies paid thereunder, (b) to all plans, specifications and drawings related to the Project.

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- e. The Lender shall have received an acceptable insurance binder or cover note, to be followed, within 30 days of the issuance of the binder or cover note, with a certified copy of a policy or policies of insurance, satisfactory to the Lender, containing the requirements of Schedule "B" hereto and including evidence of a Comprehensive General Liability Insurance policy for the Project in an amount of ~~\$10,000,000~~ **\$5,000,000** not less than ~~\$10,000,000~~ per occurrence. The Commercial General Liability Policy must reference the project and CSMC is to be added as an additional insured.

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We will require the Insurance Policy(ies) to be reviewed by an Independent Insurance Consultant, at the Borrower's expense.

- f. The Lender's Solicitor shall obtain Title Insurance, which is to include Extended Super Priority Lien Coverage / Deemed Trust Endorsement at the cost of the Borrower, on the Project Land.
- g. Negative Pledge by Borrower and Guarantor to not repay any shareholder loans, redeem shares, pay out dividends or increase compensation to principals of Borrower or Guarantor until the Loan Facility has been fully repaid.
- h. Environmental Warranty and Indemnity Agreement by the Borrower and the Guarantor to the Lender on a joint and several basis slated to survive repayment of the Loan.
- i. Assignment of all agreements relating to the operation, maintenance and management of the Real Property, including without limitation, all contracts, architectural plans and specifications (collectively, the "Material Agreements"), from the Borrower or the Loan Parties that are parties to the Material Agreements to the Lender.
- j. Registered financing statements under the applicable personal property security legislation in each jurisdiction where the Personal Property is located to perfect the Lender's security interests in the Personal Property.
- k. A trustee and beneficial owner agreement if the Borrower holds the Real Property as nominee and bare trustee for the sole use, benefit and advantage of another person or persons (the "Beneficial Owner"), if applicable.
- l. An Agreement from Loan Parties, and all of their related parties/entities, subsidiaries, affiliates, successors and assigns that have an ownership interest in lands adjacent to the Real Property or in lands in proximity to the Real Property whose owners are required to receive notice of any Plans and Applications by any regulation, legislation, statute, level of government or governmental organization or body, that in the event of default under this Commitment, not to object to (and if requested, to consent to) any changes to the zoning, architectural plans, site plan or sub-division of the Real Property or to any development applications or plans (collectively the "Plans and Applications") relating to the Real Property by the Lender or future owners of the Real Property. The said agreement shall survive and not merge upon the advance of the Loan Facility or repayment of the Loan Facility following an Event of Default that has not been cured.
- m. An agreement with any non-arms length (i.e. related party) tenant(s) of the Real Property, which provide, inter alia, for attornment and subordination of said lease, and permit the Lender to terminate the lease(s) upon the occurrence of an Event of Default, which extends beyond any applicable cure period, if applicable.
- n. An estoppel certificate, in a form satisfactory to the Lender, from each Tenant of the Real Property (both third party tenants pursuant to a formal lease agreement and informal non-arm's length tenants), if applicable.
- o. Consent from the Borrower to permit the Lender to contact any of the Borrower's consultants or government entities that have jurisdiction over the Real Property, for

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the purpose of obtaining documents and information related to any planning, development and potential expropriation of the Real Property, and a direction to those parties to release all such information to the Lender.

- p. Independent Legal Advice for one or more of the Loan Parties, if required by the Lender.
- q. Such other and further security and documentation as may be required by the Lender or its counsel to complete and perfect the Security.

II. Pre-Funding Deliverables:

The obligations of the Lender under this Commitment to advance the Loan Facility, whether by a single advance or multiple advances, is subject to the satisfaction, by the Closing Date (or as may be applicable at the discretion of the Lender, by the date of any subsequent advance) or such earlier date set out below, or the waiver by the Lender in its discretion, upon compliance and satisfaction with each of the following conditions:

Facility 1 - Tier I

- a. The Lender shall engage a Planning Consultant to prepare a report reviewing the development status and access to services for the Project and confirming, *inter alia*, the following:
 - (i) That the intended use of the subject site conforms with the Official Plan and Secondary Plan;
 - (ii) That removal of the Zoning By-law Holding Provision is attainable;
 - (iii) That the property has a minimum "As Is" developable acreage of 12.0 acres;
 - (iv) Identification of ecologically sensitive areas within the subject Property (if applicable);
 - (v) Identification of the access point to the subject site via the future ring road connecting Airport Road to Mayfield Road; and
 - (vi) That the site has access to water, sanitary, and storm water management services.

Such a report to be in a form and content acceptable to the Lender in its sole discretion.

- b. The Lender shall have received, and be satisfied, in its sole discretion, confirmation that the upfront costs of completing the road and necessary servicing are less than \$5,000,000.
- c. The Lender shall be satisfied, in its sole discretion, with its site inspection of the Real Property and any properties being used to access the Real Property
- d. All levies, impost fees, local improvement charges, property taxes and other charges affecting the Project due and payable shall have been paid to the date of the first advance of funds unless they are to be funded as part of the first advance.
- e. The Lender shall have received from an approved appraiser a satisfactory appraisal of the Project confirming a minimum fair market land value of \$23,667,500 on an "as is" basis for the Project land. Such appraisal report must be accompanied by the Form of Reliance Certificate from the appraiser to the Lender and shall confirm that the Lender and its assigns can rely upon such appraisal for lending purposes.

Note: Subject to Lender review, CSMC will accept the appraisal report prepared by Colliers International dated September 9, 2024.

- f. The Lender to receive satisfactory confirmation that the Borrower has injected \$8,277,500 of equity into the Project (being 100% appraisal surplus), which shall

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remain invested until such time as the Lender has been fully repaid all principal and interest.

- g. A soils test report (load bearing capacity) by an acceptable professional engineer or such other similar report as is acceptable to the Lender, must be provided, demonstrating to the satisfaction of the Lender that the proposed construction and site improvements of the Project are feasible under existing soil conditions, together with evidence that the construction specifications for the Project provide for construction in compliance with such conditions and with the recommendations, if any, which may be contained in such soils test report. In the case of renovation to an existing structure, the Borrower shall provide evidence satisfactory in form and content to the Lender, from independent engineers, as to the structural integrity of the building and details of any required remediation or upgrading whether for seismic purposes or otherwise. The report must be accompanied by the Form of Reliance Certificate from the consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such report for lending purposes. Further, CSMC will require a third-party peer review of the soil test report(s), and such peer review shall be at the cost of the Borrower.
- h. The Borrower will obtain at its own expense an environmental audit, from a firm approved by the Lender confirming that in their professional opinion there is no evidence that the site or any structures thereon are contaminated by any environmental hazards and recommending that no further action need be taken or will provide evidence of a remediation plan that will leave the site environmentally acceptable to the relevant Provincial and Federal Agencies and further evidence that said remediation plan is being performed, as budgeted for in the approved Budget and has been formally approved by the Ontario Ministry of the Environment. Such environmental audit must be accompanied by the Form of Reliance Certificate from the consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such report for lending purposes. Further, CSMC will require a third party peer review of the environmental report(s), and such peer review shall be at the cost of the Borrower.

Without limiting the generality of the foregoing, prior to Closing, the Borrower shall provide the Lender with a Phase 1 (Phase 2, if applicable) environmental site assessment for the Real Property prepared for and satisfactory to the Lender in its absolute discretion, which must be addressed to the Lender or accompanied by a letter from the consultant permitting the Lender to rely thereon.

Note: Subject to Lender review, CSMC will accept the following:

- Phase I ESA – Soil Engineers Ltd – September 15, 2023
- Phase II ESA – Fortis Environmental – December 13, 2023

- i. To the extent there is any building on the Real Property, the Borrower shall have delivered to the Lender an engineering or building condition report for the building(s) at the Real Property providing a description of the condition of the Real Property and any recent or capital expenditures within the last five (5) years as well as details of the mechanical, structural and roof components of the Real Property. The report shall be satisfactory to the Lender and prepared by a qualified professional engineer approved by the Lender, acting reasonably, and addressed to the Lender or together with a letter of reliance addressed to the Lender, if applicable.
- j. The Lender shall be satisfied, in its sole discretion, with all geotechnical investigations or other engineering reports, for the Real Property in the possession or control of the Borrower. All such reports must be accompanied by a letter of reliance from the applicable consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such reports for lending purposes.
- k. The Lender will obtain, at the Borrower's expense, a third-party peer review of the various deliveries provided herein or as required by the Lender prior to Closing, from a firm approved by the Lender, and to the satisfaction of the Lender.

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- l. The Lender shall be satisfied, in its sole discretion, with an engineering report for the Real Property from an engineer approved by the Lender. The Lender shall have the right to hold back any amounts related to any immediate work that impacts life and safety standards of the Real Property, as determined by the engineering report, if applicable.
- m. Receipt and satisfactory review of watershed / water course studies, natural heritage reports, functional servicing reports, ecological reports, planning related materials and reports, hydrogeological reports, and architectural materials, drawings, and reports provided herein or requested by the Lender prior to closing. Further, CSMC will require third party peer reviews of said reports, and such peer reviews shall be at the cost of the Borrower.
- n. The Borrower shall have delivered to the Lender an up-to-date survey of the Real Property, signed and sealed by an Ontario land surveyor, showing the boundaries of the Real Property, setback measurements, legal access to a public highway, location of all easements, encroachments, and improvements on the Real Property, the area of the Real Property and zoning compliance, and the Lender shall be satisfied with same, in its sole discretion. If such survey is not available, the Lender shall accept a lender's title insurance policy with satisfactory coverage for matters that would have been revealed by an up-to-date survey instead of a survey.
- o. If/as applicable, the Borrower shall have delivered to the Lender: (i) true and complete copies of all leases, offers to lease, subleases, licences, agreements to lease, and any other agreements to occupy space at the Real Property, including any amendments, extensions, renewals, and assignments thereof (collectively, the "Leases"), and a current rent roll for the Real Property, certified by the Borrower as being true, complete and correct; (ii) at least five (5) days before the Closing Date, a tenant estoppel certificate, in the Lender's standard form from each tenant under each of the Leases; and (iii) on the Closing Date, an updated rent roll for the Real Property that is consistent with the rent roll previously delivered, the Leases and the tenant estoppel certificates, certified by the Borrower as being true, complete, and correct as of the Closing Date.
- p. The Borrower shall have delivered to the Lender a detailed and current budget (or proforma budget) for the Real Property (in excel) in the possession or control of the Borrower, satisfactory to the Lender, if applicable.
- q. The Borrower shall provide a statutory declaration confirming that to the best of its knowledge there are no prohibited crops being grown on the Real Property and will ensure that any new leases contain the necessary restrictions to ensure that no such crops are/will be grown on the Real Property. The list of prohibited crops (the "**Prohibited Crops**") is as follows:
 - a. Grass;
 - b. Wheat;
 - c. Winter Barley; and
 - d. Hay.
- r. Receipt and satisfactory review of a duly signed and witnessed personal net worth and/or financial statement(s) with updated debt terms (including, but not limited to, the balance, rate, payment, maturity and Lender) from the Borrower and each Guarantor on CSMC's Standard Form. In addition, the Lender is to receive satisfactory background checks and credit checks for the Loan Parties and the directors, officers, shareholders, and principals of the Borrower. Further, the Loan Parties will authorize the Lender to do such checks, both prior to the initial advance and at any time thereafter, as required by the Lender, until the Facility is fully repaid.
- s. The Borrower and each additional Covenantor authorize the Lender to make inquiries concerning the character, general reputation, personal characteristics, financial and credit data of the Borrower and each additional Covenantor, including its respective directors, officers, shareholders, and principals, and to verify any

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- information provided to the Lender hereunder, all for the purpose of underwriting and servicing the Loan.
- t. Receipt and satisfactory review of any cost sharing agreements related to the subject Project, by the Lender and its legal counsel.
 - u. Receipt and satisfactory review of the Agreement of Purchase and Sale with respect to the original acquisition of the Project lands (and any subsequent amendments or side letters related thereto).
 - v. Receipt and satisfactory review of a completed Identification Verification and Attestation Form and all applicable documents, as required under Federal Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations.
 - w. Receipt and satisfactory review of all leases (including, without limitation, any and all subleases) at the Property, rent roll, and current estoppel certificates from each tenant (in the Lender's standard form), confirming the terms, conditions, and status of the tenant's leases, if applicable.
 - x. Receipt and satisfactory review of all reports and investigations relating to any proposed road widenings, flood plains, flight paths, ecological and environmental matters, if applicable.
 - y. The Borrower shall have provided all documents, pleadings, orders, resolutions, fines, and rectification plans and budgets, related to Town of Caledon's municipal action and prosecution against the Borrower and all related entities, in respect of the bylaw & zoning infraction(s) on the Property, and Lender shall be satisfied with same, in its sole and absolute discretion. Without limiting the generality of the foregoing, The Lender shall be satisfied that all municipal proceedings related to the bylaw & zoning infraction(s) on the Property (in respect of any municipal order(s) to comply, *Provincial Offences Act* proceedings, Ontario Super Court of Justice proceedings, and any other proceedings, actions or orders issued or commenced by, or on behalf of, any governmental or quasi governmental authority with the power to levy fine or orders against the Property) have been settled, and such agreement(s) / resolution(s) / order(s) have been substantially complied with to date; meaning all fines have been paid, the Property has been remediated in accordance with such agreement(s) / resolution(s) / order(s) and there is no ongoing illegal use which may affect the Lender's security. All costs associated with settlement/remediation must have been paid by the Borrower, from its own funds.
 - z. Receipt and satisfactory review of all decisions, applications, and material correspondence from government entity in connection with the Property, and the Lender shall be satisfied with same, in its sole and absolute discretion.
 - aa. Receipt and satisfactory review of an organizational chart and a list of all holders of beneficial interest in the Property, and any joint venture, trust agreements, or agreements otherwise related to the beneficial ownership of the Property.
 - bb. Receipt and satisfactory review of all corporate/constating documents and up-to-date shareholder registries of the Borrower and all Guarantors, including but not limited to, the entities that control or own the primary assets of the Guarantors, including but not limited to the interest of the Borrower in any joint venture, trust agreements, or agreements otherwise related to the beneficial ownership of the Property.
 - cc. Execution, delivery, and (where applicable) registration of all necessary security documentation and delivery of such legal opinions as may reasonably be required by the Lender and its legal counsel and as are customary in connection with a financing similar to the Loan including with respect to such matters as the enforceability of the Security as well as title to the Property and off-title clearance letters for the Property (it being understood that title insurance, in form and

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substance satisfactory to the Lender and issued by an insurer acceptable to the Lender, acting reasonably, may be provided in lieu of a title opinion).

- dd. Confirmation by the Borrower that all consents approvals, permits, licences, and consents including, without limitation, regulatory, shareholder and board approval, and the approval of other creditors necessary to carry on its business and to use, operate or develop the Real Property for its proposed use as disclosed to and approved by the Lender
- ee. The Borrower shall have delivered to the Lender true and complete copies of all Material Agreements.
- ff. The Borrower shall have delivered to the Lender copies of all sale memorandum for the any prior sale efforts for the Real Property (if any). The Borrower shall also provide the Lender with the details of historical offers for the Real Property including, but not limited to, the name of group, price and date of offer.
- gg. The Borrower shall have delivered to the Lender the detailed sources and use of capital.
- hh. The Lender shall be satisfied with the results of its due diligence about the Real Property and the Loan Parties.
- ii. The Borrower shall have delivered evidence satisfactory to the Lender that the present uses on the Real Property and all improvements on the Real Property comply with all zoning and building by-laws, codes, orders, regulations and laws affecting the Real Property, including, without limitation, fire safety laws, and that there are no outstanding work orders, deficiency notices, or notices of any violation, open building permits or other similar communications from any governmental authority requiring or recommending that work or repairs in connection with the Real Property or any part thereof is necessary, desirable, permitted, incomplete, or required, and there is no evidence of construction of an improvement at the Real Property without a required building permit (collectively, "**Work Orders**")
- jj. The Lender shall have received results of recent searches in each of the jurisdictions where the Loan Parties and their assets and the Personal Property are located, and such searches reveal no encumbrances on any of the Personal Property or Loan Parties' respective assets, except for Permitted Encumbrances.
- kk. The Lender shall have received all Security properly executed, and registered or filed as required, the executed opinions and certificates required under this Commitment. The Lender shall have received evidence satisfactory to it that its security in the Real Property and Personal Property (collectively, the "**Collateral**") rank in first priority (unless specified otherwise) to others' security interests in the same property.
- ll. No Defaults. There are no existing Events of Default.
- mm. All representations and warranties in this Commitment or any other Loan Documents or in any other documents made by a Loan Party to the Lender are accurate in all material respects on the Closing Date.
- nn. All fees, charges, and costs required to be paid by a Loan Party to the Lender under this Commitment or another document by the Closing Date are paid, or will be deducted and paid from the advance under the Loan Facility on the Closing Date, and each Loan Party has complied with all its obligations under this Commitment to be complied with by that party by the Closing Date.
- oo. The Lender shall have received unconditional payout/discharge statements for all prior encumbrances or non-permitted debts, together with applicable discharge(s) in registrable form, or satisfactory undertakings (where permissible) for discharge

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following closing, the costs of which shall be at the sole cost and expense of the Borrower.

- pp. The Lender shall be satisfied, in its sole discretion, that there are sufficient services available for the proposed redevelopment of the Real Property.
- qq. Any matter, event or circumstance occurs that in the opinion of the Lender, acting reasonably, may significantly impact the Lender's underwriting of the Loan Facility, including, but not limited to, environmental disaster, geo-political strife, pandemic, war, tariffs or international trade.
- rr. Receipt of Letter of Direction in support of the Broker Fee.
- ss. Satisfactory review by the Lender of all press mentions pertaining to the subject Property, Borrower, Guarantors, and the officers, directors, agents, shareholders, and representatives of any of the foregoing.
- tt. Loan disbursements shall take place only on title to the Project being acceptable to our solicitors and all matters in connection with the Security and other documentation deemed necessary or advisable by our solicitors being complied with by the Borrower and the Guarantors and all Security and other instruments and agreements to evidence and secure the Loan Facility are duly executed, with evidence of registration where applicable.
- uu. The Borrower shall satisfy the Lender that, on the advance date with respect to the Real Property, the Borrower has good and marketable title in fee simple to such property, and that the Lender's charges/mortgages and assignments of rents are validly registered on title to such property in first priority. The Borrower shall have delivered to the Lender the Borrower's lawyer's signed title opinion for each property, in a form and content satisfactory to the Lender, or a lender's policy of title insurance, in a form and content satisfactory to the Lender and paid for by the Borrower, it being understood that the title insurance, in form and substance satisfactory to the Lender and issued by an insurer acceptable to the Lender, acting reasonably, may be provided in lieu of a title opinion.
- vv. The Lender shall require a satisfactory opinion and report from its solicitors indicating, among other things, the validity, enforceability and priority of all Security and the state of title of the Project.
- ww. The Lender shall require a satisfactory opinion and report from its solicitors regarding any encumbrances, financial charges or claims registered or to be registered against the Project.
- xx. The Borrower shall have delivered to the Lender, for each of the Borrower, any corporate guarantor and the Beneficial Owner, an officer's, trustee's or partner's certificate, as applicable, including, without a limitation, a certificate of incumbency, and each of the Borrower's, any corporate guarantor's and the Beneficial Owner's lawyer's corporate legal opinion, including, without limitation, an enforceability opinion, each in a form and content satisfactory to the Lender and its lawyer. Given the specialized nature of the matters addressed in such opinions and the Lender's intention to rely on same, the Lender shall be entitled to satisfy itself, acting reasonably, that such counsel has appropriate subject-matter expertise and professional resources to support the delivery of the opinions, and maintains errors and omissions insurance coverage in an amount and from an insurer consistent with industry practice for comparable transactions. The Borrower shall cause its counsel to provide evidence of such insurance to the Lender upon request. If the Lender, acting reasonably, is not satisfied with the qualifications, resourcing, or insurance coverage of such counsel, the Lender may require that the Borrower engage alternate counsel, acceptable to the Lender, solely for the purpose of delivering the required legal opinion(s).

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- yy. The Lender shall be satisfied, in its sole discretion, with the successful syndication by the Lender with other lenders on terms satisfactory to the Lender.
- zz. The Lender shall be satisfied, in its sole discretion, with the manner in which with Borrower holds title to the Real Property and that title to any PINs comprising the Real Property, which are currently not merged, shall not merge on or before Closing.
- aaa. Receipt of a satisfactory background check for each Loan Party, and its directors, officers and shareholders.
- bbb. The additional conditions shown in Schedule "D" hereto.
- ccc. Such other information the Lender may reasonably require.

Facility 1 - Tier II

In addition to all conditions precedent for Facility 1 - Tier I, the following additional conditions must be satisfied prior to the advance of Facility 1 - Tier II:

- ddd. The Lender must have received confirmation from the applicable municipality, and be satisfied, in its sole and absolute discretion, that the Holding Provision ("H13") affecting the Property has been lifted.
- eee. The Lender shall have received copies of, and be satisfied with an executed development agreement and/or cost sharing agreement with respect to the proposed development of the Project.
- fff. The Lender shall be satisfied, in its sole discretion that lands have been acquired to construct a designated stormwater management facility in the Tullamore area (per master plan), or an interim solution is provided at the applicants expense, on the applicants lands.
- ggg. The Lender shall have received, and be satisfied, in its sole discretion, with a functional servicing report, confirming, inter alia, that the Project has (or will have) sufficient access to water, stormwater and wastewater services.
- hhh. The Lender shall have received satisfactory evidence that the required financial contribution has made toward the cost of services in the Tullamore South Industrial Park;
- iii. The Lender shall have received copies of, and be satisfied with all required complete application materials (studies), which have been approved in accordance with any development application.
- jjj. The Lender shall have received satisfactory evidence that an analysis of tributary enhancements is completed and accepted by the Town/TRCA.
- kkk. The Lender shall be satisfied, in its sole discretion that development has been, or will be constructed adjacent to existing development, in a phased and orderly manner.
- lll. The Lender shall have received satisfactory evidence, that lands required by the Town or Region for roads, etc., have been conveyed.
- mmm. The Lender shall be satisfied, in its sole discretion that the Borrower has entered into all required agreements with adjoining and/or local landowner, and the municipality, and has received all necessary approvals, and has posted all necessary security to construct all required internal collector roads and stormwater management facilities necessary for access to the proposed redevelopment.
- nnn. The Lender shall be satisfied with its review of all landowner group agreements.

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ooo. The Borrower shall have completed construction of the interior access road and stormwater management facilities and paid for same from own resources, and shall have provided the Lender with all invoices evidencing payment of same.

ppp. The Lender shall have received, and be satisfied, in its sole discretion with site plan approval for the proposed redevelopment of the Project, which must confirm no less than 6.5 acres of permitted outside storage.

qqq. The Lender shall have received an updated copy of, and be satisfied with, the Project budget, including all invoices related to the development of the Project, and proof of payment of same.

rrr. The Lender shall have received, and be satisfied, in its sole discretion with the draft plan of subdivision for the Project.

III. Availability

Tier I

- a. A one-time advance in the amount of \$12,700,000, to be used as follows:

Uses of Funds	Amount (\$)	Amount (%)
Repay Existing RBC Mortgage	\$ 12,100,000	75.63%
Commitment Fee - CSMC	\$ 320,000	2.00%
Broker Fee	\$ 100,000	1.96%
Closing Costs/ETO	\$ 120,000	0.75%
Total Use of Funds - Tier I	\$ 12,700,000	79.38%

\$120,000 / 0.75%

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Tier II

- a. A one-time advance in the amount of \$3,300,000, to be used as follows:

Uses of Funds	Amount (\$)	Amount (%)
Funds to Reimburse Costs for Construction of Ring Road & SWM	\$ 3,300,000	20.6%
Total Use of Funds - Tier II	\$ 3,300,000	20.6%

IV. Positive Covenants

- To Pay Fees.* The Borrower and the Guarantor jointly and severally agree to pay all Fees required pursuant to this Commitment on the dates required by this Commitment.
- Comply with Law.* The Borrower agrees to comply with all applicable federal, provincial and municipal laws, statutes, regulations, rules, by-laws orders, permits, licenses, authorizations, approvals, and all applicable common law or equitable principles, whether now or hereinafter in force pertaining to the Project, the Borrower and the Guarantor.
- Environmental.* Each Loan Party shall comply, and cause its tenants at the Real Property and all other parties having charge, management, or control of the Real Property to comply, with all legislation, regulations, and applicable orders, decisions or the like relating to environmental matters rendered by any governmental authority (collectively, "**Environmental Laws**") with respect to the Real Property, and not cause or permit any contaminants or substances that are generally considered hazardous to human health, including, without limitation, any

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pollutants, liquid wastes, industrial wastes, hauled liquid wastes, toxic wastes, dangerous or hazardous wastes, materials, or substances (collectively, "**Hazardous Substances**") to be used, stored, or released at, in, or under the Real Property contrary to any Environmental Laws.

- d. *Prohibited Crops.* The Borrower shall ensure that no Prohibited Crops are grown on the Real Property and will take steps necessary to ensure that no such crops are grown.
- e. *Title.* The Borrower shall defend title to the Property and the Project for the benefit of the Lender against any action, proceedings, or claims.
- f. *Permits.* Where the Loan Facility is intended to finance improvements to the Property, the Borrower has or will obtain prior to the commencement of construction, all permits, agreements, licenses, authorizations, or approvals (collectively, "**Permits**") necessary to permit the lawful construction, occupancy, operation and use of the Property, it shall maintain such Permits in good standing and in full force and effect, and shall not terminate, amend or waive any of its rights under any Permits without the Lender's prior written consent; and it is not aware of any proposed changes or any notices or proceedings relating to any Permits, including pending cancellation or termination thereof. The Borrower shall promptly notify the Lender of any changes, notices or proceedings that may arise.
- g. *Insurance.* The Borrower shall maintain insurance with respect to the Real Property, its personal property and business, on terms and conditions satisfactory to the Lender in accordance with the requirements contained in **Schedule "B"** from the Closing Date until such time as the Lender confirms that the Loan Facility is paid in full and that it releases any interest it has in the Security. The Borrower's insurance shall, without limitation: (i) be issued by financially sound and reputable insurance companies; (ii) as to property insurance, be for the full replacement cost, cover all risks, name the lender as first mortgagee and loss payee and include the standard mortgage clause approved by the Insurance Bureau of Canada; and (iii) as to commercial general liability insurance, be written on a per occurrence basis and name the Lender as additional insured. Prior to the date of each advance (with respect to each applicable property), and thereafter annually and from time to time on written request by the Lender, the Borrower shall furnish to the Lender evidence of such insurance until such time as the Lender confirms that the Loan Facility is paid in full and that it releases any interest it has in the Security. The Borrower shall promptly notify the Lender of any claims made under the policies in excess of \$100,000.
- h. *Project Bank Account.* The Borrower must establish a separate bank account at a financial institution acceptable to the Lender through which all advances and disbursements shall be made in respect to the Project.
- i. *Ongoing Financial Disclosure and Reporting.* The Borrower and the Guarantor will provide:
 - i. within one-hundred and eighty (180) days of each fiscal year end during the term of the Loan Facility, **accountant prepared** financial statements for the Borrower and each corporate Guarantor;
 - ii. annually, updated financial statements and/or net worth statements for each Guarantor, a statement evidencing that property taxes for the Project are up to date, a certificate or binder evidencing insurance for the Project (or upon any change to insurance coverage being made, immediately following that change), a Client Information Form;
 - iii. semi-annually, an updated rent roll (if applicable) and operating statements; and
 - iv. such other financial and supporting information as the Lender may request.

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- j. *Right to Inspect.* The Borrower acknowledges that the Lender may inspect or cause its cost consultant to inspect the Project at any time, at the expense of the Borrower. The Borrower shall give the Lender or its consultants access to the Project for this purpose.
- k. *Right of Offset and Pre-Authorized Debit.* All appraisal, engineering, inspection, title, survey, legal, insurance review and other customary underwriting, inspection, securing or enforcement expenses of the Lender, shall be paid by the Borrower and may at the Lender's option be deducted from an advance under the Loan Facility. The Borrower hereby irrevocably directs and authorizes the Lender to pay such expenses and costs, together with any outstanding balance of the Commitment Fee, or any other amount due to the Lender, from and out of any advance of funds under this Loan Facility, in the event the same have not been paid at the time thereof.
- l. *Indemnification.* In addition to any liability imposed on the Borrower and any Guarantor under any instrument evidencing or securing the Loan Facility, the Borrower and the Guarantor shall jointly and severally indemnify and save harmless the Lender, its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever, including, without limitation, all legal fees on a solicitor and own client basis, arising directly or indirectly, out of any or all of the following:
 - i. The provisions of this Commitment and the Security, any letters of credit or letters of guarantee issued, sale or lease of the Project and/or the use or occupation of the Project including, without limitation, those arising from the right to enter the Project from time to time and to carry out the various tests, inspections and other activities permitted by the Commitment and the Security.
 - ii. Environmental matters relating to the Property and the Collateral, including:
 - i. any breach by any Loan Party of its covenants or representations and warranties to the Lender respecting environmental matters;
 - ii. the presence of Hazardous Substances on the Real Property contrary to Environmental Laws;
 - iii. the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Project of any hazardous or noxious substances.
 - iv. the presence of Hazardous Substances on adjoining lands that migrated or originated from the Real Property; and
 - v. any environmental remediation actions taken by the Lender relating to such breaches or presence of Hazardous Substances.
 - iii. The following actions or omissions of a Loan Party that may reduce the value of the Collateral:
 - i. any diversion by the Borrower of the Collateral, or proceeds therefrom, in violation of any of the Loan Documents;
 - ii. fraud or misrepresentation by any Loan Party; and
 - iii. any failure to maintain or repair the Collateral, which results in a diminution of value of the Collateral.

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The representations, warranties, covenants and agreements of the Borrower and the Guarantor set forth in this subparagraph:

- i. Are separate and distinct obligations from other obligations of the Borrower and the Guarantor;
 - ii. Survive the payment and satisfaction of their other obligations and the discharge of the Security from time to time taken as security therefore;
 - iii. Are not discharged or satisfied by foreclosure of the charges created by any of the Security; and
 - iv. Shall continue in effect after any transfer of the land including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.
- m. *Canadian Anti-Money Laundering Legislation.* The Borrower and Guarantor acknowledge that, pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws (collectively, including any guidelines or orders thereunder, "AML Legislation", the Lender may be required to obtain, verify and record information regarding the Borrower and Guarantor and their respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Borrower and Guarantor, and the transactions contemplated hereby. The Borrower and Guarantor shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Lender, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.
- n. *Financial Covenants.* Until the Loan Facility is repaid in full, the Loan Parties shall maintain a combined financial covenant of no less than approximately \$8,000,000.00 (exclusive of the Real Property). The Lender shall be satisfied, in its sole discretion with its review of evidence provided by the Loan Parties, that they are able to pay the interest owing on the Loan Facility on an ongoing basis.
- o. *Environmental Contamination.* Each Loan Party shall notify the Lender promptly, as soon as it becomes aware, of any spills of Hazardous Substances or other violations of Environmental Laws relating to the Real Property and, at the expense of the Borrower, remediate, in accordance with all Environmental Laws, any contamination resulting from such violations.
- p. *Advances.* The Borrower shall use the proceeds from the Loan Facility only for the purposes stated in this Commitment.
- q. *Property Maintenance.* The Borrower shall maintain the Real Property and all structures thereon, including, without limitation, each structure's mechanical and electrical systems, in good condition and in compliance with all applicable laws.
- r. *Material Agreements and Management.* The Borrower, or the Loan Party that is a party to the Material Agreements, shall comply at all times with all of its obligations under all Material Agreements to which it is a party. The Borrower shall promptly notify the Lender of any default under any Material Agreements.
- s. *Taxes, Utilities, and Benefits.* The Borrower shall pay all real property taxes and utilities charges for the Real Property when due and deliver annual confirmation of payment in full for the calendar year to the Lender by December 15th of each year until the Loan Facility has been repaid in full. The Borrower shall comply with all its obligations when due to collect, deduct at source, withhold, contribute, remit, or pay all: (i) income taxes, sales taxes, and other federal, provincial, or municipal taxes; and (ii) employee benefits, pension plan contributions, insurance premiums, and other amounts as required of it under applicable employee or pension

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legislation or other laws, and provide confirmation of payment of such taxes and amounts to the Lender upon request by the Lender.

- t. *Confidentiality.* The Loan Parties acknowledge and agree that the terms and conditions recited herein are confidential between themselves and the Lender, its lawyer, cost consultant, insurance consultant and project monitor, as applicable. The Loan Parties agree not to disclose the information contained herein to a third party, other than their lawyer, without the Lender's prior written consent.

V. Negative Covenants

- a. *No subsequent financing, liens.* The Borrower will not grant any pledge or otherwise encumber its interest in the Project (or any collateral property, if applicable), and no liens against the Project shall be created, issued, or incurred or permitted to exist without the prior written consent of the Lender in its sole discretion.
- b. *Demolition.* The Borrower covenants not to demolish any improvements situated within the Real Property during the Term of the Loan Facility without the prior written consent of the Lender.
- c. *Borrower may not convey its interest.* The Borrower may not sell, transfer, assign, pledge or convey its interest in the Project or part thereof without the express written consent of the Lender.
- d. *No Assignment.* The Borrower may not assign this Commitment or any of its rights or interest hereunder, or delegate any obligations to be performed hereunder, without the prior written consent of the Lender. Any attempted assignment or delegation in contravention of this section is null and void and of no force or effect.
- e. *Voting Structure.* The voting control of the Borrower shall not change without the prior written consent of the Lender.
- f. *Confidentiality.* The Borrower and the Guarantor acknowledge and agree that the terms and conditions recited herein are confidential between themselves and the Lender, its lawyer, cost consultant, insurance consultant and project monitor. The Borrower and the Guarantor agree not to disclose the information contained herein to a third party, other than their lawyer, without the Lender's prior written consent.
- g. *Lender's Consent for Leases.* The Borrower shall not enter into any new leases, terminate, accept a surrender of or make any material amendments to any leases without the review and prior written consent of the Lender, not to be unreasonably withheld or delayed. The Borrower will promptly provide the Lender with copies of all new leases, renewals, extensions, terminations, and surrenders permitted by this section or otherwise approved by the Lender. The Borrower shall comply at all times with all its obligations as landlord under all leases. The Borrower shall specifically assign any of the Leases upon request from the Landlord as further security for the Loan Facility. The Borrower shall promptly notify the Lender of any notices of default delivered or received by it as landlord under any of the Leases.

VI. General Terms & Conditions:

- a. *Transfer, Change of Control and Further Encumbrances.* All outstanding principal, interest and other amounts under the Loan Facility shall immediately become due and payable in full, at the option of the Lender, if any of the following occur without the Borrower having first obtained the prior written consent of the Lender to such occurrence:
 - a. There is a change in the legal or beneficial ownership of the Real Property, or any part of it, or in any of the Personal Property;

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- b. A Loan Party amalgamates, merges, converts to another type of entity, liquidates its assets, or otherwise ceases to exist and be organized as it did on the Closing Date;
 - c. There is a change in control of the Borrower or any other Loan Party, where "change in control" means a change in 51% of the ownership of the Borrower or any other Loan Party; or
 - d. The legal or beneficial interest in the Real Property, or any part of it, is further encumbered by any charge, mortgage, lien, execution, easement, restrictive covenant, agreement or other encumbrance.
- b. *Joint and Several.* The obligations of the Borrower and any Guarantor shall be the joint and several obligations of each such person or corporation comprising the Borrower or Guarantor unless otherwise specifically stated herein.
- c. *Assignment/Syndication, Disclosure.* The Commitment and Security or any interest therein may be assigned or syndicated by the Lender, in whole or in part, without the consent of the Borrower or Guarantor. The Borrower and the Guarantor consent to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan Facility, the Project, the Borrower, and the Guarantor within the possession or control of the Lender.
- d. *Erect a sign.* The Lender shall have the irrevocable right to erect a sign on the Project, at its own expense, indicating it has provided the financing on the Project during the period for which the financing or any portion thereof remains outstanding. The Lender may also refer to this Project in its advertising at any time after the first advance under the Loan Facility.
- e. *Right of First Refusal - Future Funding.* The Lender shall have a right of first refusal to finance or arrange financing for any subsequent phases of development of which the Project forms a part, or any further development to be developed on the lands adjacent thereto and shall be given the first opportunity and a reasonable period of time, after delivery to the Lender of all reasonably requested information, to provide a commitment to fund such further development.
- f. *Privacy Legislation and Consent.* The Borrower and the Guarantor hereby (i) authorize the Lender to collect and use Personal Information to assess the ability of the Borrower and Guarantor to meet their financial obligations under the Loan Facility, including obtaining credit and other reports as required; (ii) grant the Lender permission to obtain, disclose, exchange Personal Information on an on-going basis with credit reporting agencies, prospective investors in the Loan Facility and financial institutions, their agents, or service providers, in order to determine and verify continuing eligibility for the Loan Facility and continuing ability to meet financial obligations; and (iii) agrees that this use, disclosure and exchange of Personal Information will continue until the date all obligations of the Borrower and Guarantor to the Lender are satisfied in full. **"Personal Information"** is all of the Borrower's or Guarantor's information that was collected by or delivered to the Lender in connection with this Commitment, and any information obtained by the Lender from time to time thereafter. To view our privacy policy, please go to <https://www.cameronstephens.com/privacy-policy-disclaimer>.
- g. *Counsel for Lender.* The Lender's lawyer will be:

Name	Firm
David Markowitz	SR Law

- h. *Counsel for Borrower.* The Borrower's lawyer will be:

Name	Firm
Manraj Mann/Sahib Gill	M. Mann Professional Corporation

info@manrajlaw.ca / sahib@manrajlaw.ca 905-956-7700

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- i. *Cost Consultant.* The Lender's cost consultant will be:

N/A
- j. *No waiver.* No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on its behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantor. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.
- k. *Governing law.* The Commitment and Loan Facility shall be governed by and construed under the laws of the Province in which the mortgaged lands and the Project are situate.
- l. *Severability.* The Borrower and the Guarantor agree that if any one or more of the provisions contained in this Commitment shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment and this Commitment shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- m. *Time.* Time is of the essence in this Commitment.
- n. *No Merger.* The representations, warranties, covenants and obligations herein set out shall not merge or be extinguished by the execution or registration of the Security but shall survive until all obligations under this Commitment and the Security have been duly performed and the Loan Facility, interest thereon and any other moneys payable to the Lender are repaid in full. In the event of any inconsistency or conflict between any of the provisions of the Commitment and any provision or provisions of the Security, the Commitment will prevail, and the failure to include any term in the Security that is set out in the Commitment shall not be an inconsistency.
- o. *Limitation of Liability.* Neither the Lender nor any of its investors nor any of their respective assets shall be subject to any actions, proceedings, losses, damages, liabilities, claims, demands, costs or expenses of any kind or nature made by or on behalf of the Borrower and/or Guarantor arising from or relating to, directly or indirectly, the Loan Facility, including the making or administration of the Loan Facility or any default or other act or omission by the Lender or its investors under or relating to the Loan Facility or any of the Loan Facility documents, and the Borrower and Guarantor hereby agree to indemnify and save the Lender and its investors harmless from and against all such matters.
- p. *Entire Agreement.* This Commitment, when signed, represents the entire agreement between the parties hereto and supersedes all prior agreements, representations, warranties or understandings between the parties whether written or verbal. Any amendment, variation or alteration of this agreement must be done in writing and be executed by a properly authorized representative of the Lender.
- q. *Enurement.* This Commitment is binding upon the Parties and shall enure to the benefit of the legal successors and permitted assigns of the Parties.
- r. *No Entitlement to Interest.* The Borrower shall not be entitled to receive any interest or other investment earnings on any reserve or deposits held by or on behalf of the Lender, whether or not earned or arising from time to time.

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- s. **Costs.** The Borrower shall be responsible for and pay or reimburse the Lender for, whether or not the Loan Facility is advanced, all of the Lender's costs and expenses (including, without limitation, all legal costs, consultants' costs, and out-of-pocket expenses) in connection with the loan transaction contemplated in this Commitment, including, without limitation, costs, and expenses incurred by the Lender for due diligence, preparation and enforcement of this Commitment and the other Loan Documents, realization of its security, defaults by Loan Parties, administration of the Loan Facility, insurance consultations, appraisals, engineering, inspection, title, survey, and other customary underwriting, inspection, securing or enforcement expenses of the Lender in connection with this Commitment and the Loan Facility. Any of the Borrower's or another Loan Party's unpaid costs paid by the Lender may be added to the principal under the Loan Facility, bear interest at the Interest Rate and be payable on demand.
- t. **Title Trustee / Custodian.** The Lender shall have the right, at its option, to have the Loan Documents drawn in the name of a trustee(s) / custodian(s) as the Lender may elect, to hold same as title trustee(s)/custodian(s) for the Lender. The Lender shall also have the right to direct the Borrower, in writing, to make any payments due under the Loan Facility to the trustee(s) / custodian(s) or any other party.
- u. **Counterparts.** This Commitment and any amendments, waivers, consents, or supplements hereto may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Commitment by facsimile or by sending a scanned copy ("PDF" or "TIF") by electronic mail shall be effective as delivery of a manually executed counterpart of this Commitment.

21. Representations and Warranties of the Borrower and Guarantor:

- a. **Generally.** The Borrower and the Guarantors represent and warrant and will execute documentation attesting that there has been no material adverse change in the financial condition or operations of either the Borrower or Guarantor, as reflected in the financial statements used to evaluate the application for credit; no pending adverse claims; no outstanding judgments; no defaults under other agreements relating to the Project; preservation of assets; no undefended material actions, suits or proceedings; payment of all taxes; no consents, approvals or authorizations necessary in connection with documentation; compliance of construction of Project with all laws; that it will substantially complete the Project in accordance with plans and specifications; to obtain all necessary approvals for construction and use of the Project; no other charges against mortgaged lands except permitted encumbrances; all necessary services are available to the Project; no pollutants, dangerous substances, liquid waste, industrial waste, toxic substances, hazardous wastes, hazardous materials, hazardous substances, or contaminants have been or will be manufactured, used, stored, discharged or present on the mortgaged lands, and the mortgaged lands are not currently the subject of remediation or clean-up, there has not been and is no prior, existing, or threatened investigation, action, proceeding, notice, order, conviction, fine, judgment, claim directive or lien of any nature or kind against or affecting the Project relating to environmental laws, and the Borrower shall warrant such other reasonable matters as Lender or its legal counsel may require.
- b. **Purpose of the Loan Facility.** The Borrower and the Guarantor represent and warrant that the Loan Facility is for the Borrower's benefit, to be used solely to fund the Project purpose indicated in this Commitment.
- c. **Completeness of information provided.** The Borrower and the Guarantor represent and warrant that all information provided to the Lender with respect to the Project, the Borrower, the Guarantor, and contained in the Security is complete, accurate and true.
- d. **Residency Status.** The Borrower represents and warrants that it is not now a non-resident of Canada within the meaning of the Income Tax Act (Canada) and covenants that it will not become a non-resident of Canada at any time prior to the discharge of the Mortgage and the Security.
- e. **Environmental.** Each Loan Party represents and warrants, to the best of its knowledge and belief, that there have not been and there are no:

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- i. discharges, deposits, spills, escapes, or releases of Hazardous Substances into the natural environment or the soil in, on, over, under or at the Real Property;
 - ii. uses of the Real Property for a waste disposal site, fill materials forming part of the Real Property or underground storage tanks located at the Real Property;
 - iii. claims, actions, prosecutions, charges, hearings, or other proceedings of any kind in any court or tribunal relating to any violation of any Environmental Laws with respect to the Real Property;
 - iv. judgments, decisions, orders, directions, injunctions, or notices of any kind rendered by any court, tribunal, or governmental authority, relating to any required environmental remediation or violation of any Environmental Laws with respect to the Real Property;
 - v. Hazardous Substances used, stored, or released at the Real Property other than in compliance with all Environmental Laws and disclosed to the Lender; and
 - vi. facts or circumstances in existence that, with the passage of time or the giving of notice or both, would give rise to any of the foregoing.
- f. *Title: Ownership.* The Borrower represents and warrants that the Borrower, will be on the Closing Date and the date of each subsequent advance, as applicable, the registered and beneficial owner in fee simple of the Real Property, except as may be disclosed to the Lender in writing.
- g. *Title: Encumbrances.* The Borrower represents and warrants that on the Closing Date or the date of each subsequent advance, as applicable:
 - i. it has good and marketable title in fee simple to the Real Property free from all easements, rights-of-way, agreements, restrictions, mortgages, charges, liens, executions, and other encumbrances;
 - ii. all instruments registered on title to the Real Property are complied with by all parties to such instruments;
 - iii. the Real Property does not contain a matrimonial home under the Family Law Act, R.S.O. 1990, c. F.3; and
 - iv. it does not hold any interest in any land abutting the Real Property.
- h. *Off-Title.* The Borrower represents and warrants that:
 - i. there are no outstanding Work Orders affecting the Property; and
 - ii. there are no facts or circumstances in existence that with the passage of time or the giving of notice or both would give rise to any Work Orders.
- i. *Arrears and Liens.* The Borrower represents and warrants that it does not have any indebtedness that might by operation of law or otherwise constitute a lien, charge, statutory deemed trust, or other financial encumbrance on all or any part of the Real Property or that could affect or have priority over the Lender's security interest over or in the Real Property or Personal Property, other than Permitted Encumbrances. Without limiting the foregoing: (i) all real property taxes for the Real Property and utilities costs that if unpaid may form a lien against the Real Property are paid and up-to-date; (ii) the Borrower has collected, deducted at source, withheld, contributed, remitted, or paid when due all taxes (including, without limitation, income and sales taxes) and employee benefits, premiums, and other amounts as required of it under applicable employment or pension legislation or other laws; and (iii) all contractors have been paid and no one is entitled to register a construction lien against title to the Real Property.
- j. *Power.* Each Loan Party represents and warrants that:

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- i. in the case of a Loan Party that is a corporation, it is duly incorporated and validly existing under the laws of its jurisdiction of incorporation;
 - ii. in the case of a Loan Party that is an individual, it is an individual resident in the Province of Ontario;
 - iii. it has the power and authority to own, lease, charge, and mortgage its property and carry on its business in each jurisdiction in which it owns or leases property or assets or carries on business;
 - iv. it has taken all corporate and other actions necessary and obtained all consents necessary to duly execute, deliver, and perform its obligations under this Commitment and the other Loan Documents to which it is a party; and
 - v. this Commitment and the other Loan Documents constitute legal, valid, and binding obligations enforceable against it in accordance with their respective terms and do not violate any of its constating documents.
- k. *Litigation.* Each Loan Party represents and warrants that there are no actions, suits or legal or administrative proceedings, outstanding, pending, or threatened against it or the Real Property.
- l. *Material Agreements.* The Borrower represents and warrants that:
- i. the Material Agreements delivered to the Lender are all the agreements for the operation, maintenance, and management of the Real Property;
 - ii. each of the Material Agreements delivered is true and complete, in full force, and effect and unamended;
 - iii. there are no outstanding defaults under any of the Material Agreements by any of the parties thereto; and
 - iv. it is not aware of any facts or circumstances in existence that with the passage of time or the giving of notice or both would result in any defaults under any of the Material Agreements by any of the parties thereto.
- m. *Leases.* The Borrower represents and warrants that there are no leases, offers to lease, or other tenancy agreements affecting the Property.
- n. *Bylaw/Zoning Infraction.* The Borrower represents and warrants that that with respect to existing bylaw and zoning infractions related to the Project, and municipal proceedings with respect to same, the Borrower has taken steps to comply with all municipal and court orders to date and has paid all fines associated with such infractions. The Borrower further represents and warrants that it has not taken any steps which would violate such orders, or any other applicable laws for the Project.

22. Events of Default:

Without limiting the entitlement of the Lender to demand repayment of the Loan Facility at any time, or any other rights of the Lender under this Commitment that are repayable upon demand, upon the occurrence of any one of the following events (each an “**Event of Default**”), the obligation of the Lender to make any further advances under the Loan Facility shall terminate immediately and the Lender may, by written notice to the Borrower, declare all of the unpaid principal, accrued interest or costs of the unpaid Loan Facility immediately due and payable, whereupon the same shall become due and payable forthwith, and the Lender may exercise any and/or all remedies available to it at law or in equity or as contemplated in this Commitment:

- a. The Borrower fails to make any payment of interest or principal or other amount payable to the Lender pursuant to this Commitment, including the Commitment Fee, or the Security when it is due;
- b. Non-Payment of Other Amounts. Any Loan Party fails to pay any other monetary amounts, other than principal and interest, when due under this Commitment or any other of the Loan Documents and

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such default is not cured within three (3) business days after written notice of default from the Lender, except there shall be no cure period for such a default under Section 20(II)(nn) of this Commitment.

- c. If there is a default or breach of any covenant, condition or term contained in this Commitment or the Security;
- d. If there has been any material discrepancy or inaccuracy in any information, statements, representations or warranties made or furnished to the Lender by or on behalf of the Borrower, or if any of them fail to furnish information required to substantiate the original representations made to the Lender;
- e. Any Loan Party: (i) initiates any proceedings to have it declared bankrupt or insolvent, or to be wound-up, liquidated, re-organized, placed in receivership, or otherwise to give the Loan Party relief from paying its debts and protection from its creditors by any other plan, proposal, arrangement, assignment, or proceeding under bankruptcy and insolvency laws, or (ii) is involuntarily placed in a proceeding described in this Section e) by another party and such involuntary proceeding is not dismissed, discharged, withdrawn, bonded, or stayed within sixty (60) days of the commencement date of such involuntary proceeding.
- f. The Borrower is in default under any permitted prior or subsequent encumbrance on the Real Property beyond any applicable cure period under such prior or subsequent encumbrance.
- g. A writ of execution is filed or a judgment is entered against a Loan Party in favour of a creditor other than the Lender that impacts the value of the Real Property or the value of the Loan Party's other assets that the Lender has security or a charge/mortgage in, or another encumbrancer takes possession of all or part of the Real Property or other Collateral.
- h. Any security for the Loan Facility given by a Loan Party is invalid or loses its required priority.
- i. Expropriation. The Real Property, or any part of it, is expropriated and such expropriation has or would have a material adverse effect on the value of the Real Property, in the opinion of the Lender acting reasonably.
- j. The mortgaged lands are subject to a restraint order under the Controlled Drugs and Substances Act (Canada) or similar order under any law, or the Borrower or any other person uses or has used the mortgaged lands or the Project for any purpose in violation of that act; or
- k. There occurs or is reasonably likely to occur, in the sole discretion of the Lender, a change that has or could be reasonably expected to have a material adverse effect on: (i) the value or marketability of the Project or the Property (including, without limitation, the physical, environmental, or financial condition of the Property), or (ii) the financial or other condition of any Borrower or Guarantor or their ability to observe and perform any of their respective covenants and obligations hereunder.
- l. Any other default under any of the other Loan Documents.
- m. The Property is used for any purpose not permitted under municipal bylaws or zoning, or municipal settlement.

If an Event of Default exists on or before the Closing Date or any subsequent advance date, the Lender is not obligated to advance the Loan Facility, or any part of it, and may terminate this Commitment.

23. Expropriation.

- a. The Borrower shall promptly give notice to the Lender upon receiving a notice or otherwise becoming aware of and provide particulars in respect of any notice of expropriation affecting the whole or any part of the Real Property. All proceeds of any expropriation or sale of the whole or any part of the Real Property will, at the sole option of the Lender, be paid to the Lender in priority to the claims of any other party and will, at the Lender's sole option, be applied against any or all amounts outstanding under the Loan Facility in such order of priority as the Lender will in its sole discretion determine. Further and without limiting any of the foregoing, in the event that all or any portion of the Real Property shall be purchased, acquired by agreement, or otherwise taken or expropriated for any public work or purpose whatsoever pursuant to any applicable legislation or regulation, then, and in

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such event any and all consideration or compensation whatsoever payable to the Borrower or anyone claiming an interest under or through the Borrower shall be payable to and shall be paid to the Lender accordingly, and further any such compensation paid to or to the order of or received by the Borrower shall be and be deemed to be held in trust for the Lender and the Borrower hereby authorizes and directs the issuer of any such expropriation awards or proceeds to make payment directly to the Lender. Further and in any event, the Borrower shall at all times remain fully liable to pay all amounts, regular payments and remaining amounts outstanding to the Lender under the Loan Facility when due to the Lender in accordance with this Commitment and the Loan Documents.

- b. The Borrower shall promptly provide the Lender with copies of any and all communication from time to time, with the local municipality, region, Province of Ontario or any expropriating authority regarding any expropriation or potential expropriation of any part of the Real Property.
- c. The Borrower shall obtain the consent of the Lender prior to retaining any appraiser in connection with any appraisals to be commissioned by or on behalf of the Borrower in connection with or in contemplation of expropriation, such consent to not be unreasonably withheld.
- d. The Borrower shall obtain the consent of the Lender prior to entering into any agreement with an expropriating authority under or pursuant to the *Expropriations Act* with respect to the Real property, including but not limited to a Section 30 Agreement, such consent to be at the Lender's sole and absolute discretion.
- e. The Borrower shall not contest and shall provide all necessary approvals and consents to the Lender in connection with the Lender exercising any rights it may have under the Expropriations Act or as may be otherwise available to it in connection with any expropriation of the Real Property.

24. Management Fee.

- a. The Borrower acknowledges and agrees that in the event of an Event of Default, and in the event such Default is not cured within 15 days (the "**Cure Period**"), the Lender will incur significant administrative and management costs, including but not limited to the monitoring of the default, communication with the Borrower, engaging legal counsel, and taking steps necessary to protect the Lender's security interest. The Borrower further acknowledges that these costs are difficult to quantify precisely at the time of entering into this agreement. Accordingly, the Borrower agrees to pay the Lender a management fee of four percent (4%) of the principal balance of the Loan Facility, plus applicable HST (the "**Management Fee**"), upon the occurrence of an Event of Default. This Management Fee is intended to represent a genuine pre-estimate of the costs that the Lender expects to incur as a result of the Borrower's default and is not intended as a penalty or punitive measure.
- b. The Borrower and Lender have negotiated this fee in good faith, and both parties agree that it is reasonable and reflects the anticipated costs of managing the consequences of default. The Borrower acknowledges that this fee was a material consideration for the Lender in agreeing to provide the Loan and that the Lender would not have extended the Loan on the terms provided without the inclusion of this Management Fee. This clause and the associated Management Fee have been included to cover actual administrative and management costs that are difficult to calculate at the time of entering into this agreement, and the Borrower agrees that the Management Fee is enforceable as a genuine pre-estimate of the Lender's damages in the Event of Default.

6086 Mayfield Inc.
6086 Mayfield Road, Caledon, ON
May 9, 2025

If the terms and conditions of this Commitment, including all Schedules attached hereto, are acceptable, please so indicate by signing the Acceptance of Mortgage Commitment and returning a complete copy (including all Schedules) to the writer's attention by May 14, 2025.

If a fully executed copy of the Commitment is not accepted and delivered to the Lender by May 14, 2025 this Commitment shall be null and void.

Please ensure that the Commitment Fee is provided in accordance with Section 11.

Upon receipt of the signed Commitment, Cameron Stephens will pursue approval with its syndication partner. If Cameron Stephens is unsuccessful in obtaining a syndication partner on terms acceptable to Cameron Stephens in its sole discretion, you will be notified, the "Good Faith" payment will be refunded less costs to date incurred by Cameron Stephens, and you will be released from any obligation to pay any remaining fees.

Yours very truly,


Cameron Stephens Mortgage Capital Ltd.

DocuSigned by:

7BC179A834C94DB...
Steve Cameron
President & COO

DocuSigned by:

AD35C4D9DFE24E4...
Kevin Marthinsen
Senior Director, Mortgage Origination

Signed by:

5C21E1D26C0D465...
Sheri Cox
Director, Underwriting & Portfolio Management

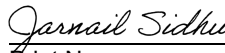
Acceptance of Mortgage Commitment

By signing below, the Borrower and Guarantor acknowledge that they: (a) had sufficient time and opportunity to review, consider and obtain any desired independent legal advice with respect to the terms and conditions of the Commitment, including all Schedules thereto; (b) have read and understand the terms, conditions and obligations of the Commitment; and (c) voluntarily accept the Commitment.

Signed this 9 day of May, 2025.


6086 Mayfield Inc. (in its capacity as **Borrower**)

Per:


Print Name: Jarnail Sidhu
I have authority to bind the corporation

Falcon Xpress Transportation Group Inc. (in its capacity as **Guarantor**)

Per:


Print Name: Jarnail Sidhu
I have authority to bind the corporation

6086 Mayfield Inc.
6086 Mayfield Road, Caledon, ON
May 9, 2025

2593548 Ontario Inc. (in its capacity as **Guarantor**)
Per:

Jarnail Sidhu
Print Name: Jarnail Sidhu
I have authority to bind the corporation

Jarnail Sidhu
Jarnail Sidhu
(in his/her capacity as **Guarantor**)

Satbir Sidhu
Witness:

6086 Mayfield Inc.
6086 Mayfield Road, Caledon, ON
May 9, 2025

Schedule "A" – Additional Fees Payable by the Borrower

NSF / MISSED PAYMENT	\$2,000 per occurrence
PAYMENT PROCESSING FEE	\$60.00 (arranging the processing of any payment on any date other than the schedule payment date or administering a stop payment)
INSURANCE:	\$500.00 (for cancelled or expired Insurance)
-Insurance Administration Default Fee:	
-Insurance Placement Fee:	\$500.00 (This fee is in addition to the Insurance Premium)
PROPERTY TAX	\$250.00 per tax status inquiry. (If the Borrower fails to provide satisfactory confirmation of tax payments)
- Tax Default Fee:	
- Tax Account Administration Fee:	\$275.00 per annum
- Property Tax Status Inquiry Fee:	\$125.00 (payable for the handling of tax inquiries, preparation of related documentation and investigating the status of tax payments), plus the cost of any tax certificate.
MORTGAGE STATEMENTS	
- Statement for Info Purposes Fee:	\$260.00 per Statement
- Discharge Fee:	\$600.00 , plus registration costs. Per discharge document or registered instrument.
- Payout Statement:	
- Duplicate Loan Statement Fee:	\$260.00 per Statement
	\$250.00 (payable for the preparation of each duplicate year-end mortgage loan statement)
DEFAULT MANAGEMENT FEE	4% of the outstanding principal of the Loan Facility, plus HST , in accordance with paragraph 24
OVERHOLDING FEE	200 basis points by the outstanding principal amount of the Loan Facility and dividing the sum by 365, charged in accordance with paragraph 16
DEMAND LETTER	The Lender's cost, without mark-up, per occurrence
DEFAULT PROCEEDINGS FEE	\$1,500.00 (payable per event or per preparation of a mortgage file for legal action and/or enforcement)

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POWER OF SALE ENFORCEMENT ADMINISTRATION FEE

- a. BIA Notice of Intention to Enforce Security
\$1,500.00
- b. Notice of Sale
\$1,750.00
- c. Statement of Claim
\$2,000.00
- d. Judgement
\$1,250.00
per judgement
- e. Writ of Possession/Eviction
\$1,250.00
- f. Review Court Motion Material:
\$750.00 per motion

ADMINISTRATION ADVANCE FEES

\$500.00 per advance

LOAN SET UP FEE

\$1,500.00

LOAN MAINTENANCE FEE

\$450.00 charged per annum

BANK WIRE TRANSFER FEE

\$100.00 per wire

ADVANCE FEE

\$500.00

MISCELLANEOUS DOCUMENT

Subdivision Plans, non-disturbance agreements or other required to security **\$500.00** per occurrence

DOCUMENTS EXECUTION

COURIER FEE

\$60.00 plus HST

LONG DISTANCE CHARGES

\$20.00 (minimum) per call

REVIEW ADMINISTRATION FEE

\$500.00 (for the review of each land title document, postponement, certificate, confirmation, or similar document required to be issued or executed at the Borrower's request)

PPSA RENEWAL FEE

\$100.00 per PPSA registration, plus the cost of the preparation and registration of the PPSA renewal

LENDER IN POSSESSION

If the Lender goes into possession of the property, a ten (10%) percent property management fee will be charged to the Borrower (based on 10% the gross rents collected)

AD HOC SERVICES REQUESTED BY BORROWER

\$170.00 per hour, plus expenses without mark-up. Provided at the Lender's discretion following a written request by the Borrower.

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PAYMENT ADMINISTRATION FEE

\$200.00 + HST per regular monthly mortgage payment (payable for the monthly administration of loan payments, including any payments from an interest reserve, if applicable), which, at the Lender's option, is to be collected either monthly, or on the final payout of the Facility.

TITLE SEARCH (PER PIN)

Actual cost, without mark-up. For title searches conducted after the Mortgage is advanced to ensure compliance with terms of the Commitment and Mortgage.

AMENDMENT FEE

\$4,000 Per amendment document.

Note: Fees outlined relate to minor "administrative nature" amendments only. Should there be a material loan amendment, fees will be assessed on a case-by-case basis.

All fees are exclusive of Sales Taxes.

The Borrower acknowledges and agrees that the service and administration fees and charges described above are a genuine pre-estimate of the value of the services provided by and costs incurred by the Lender and are not a penalty or additional interest on the Loan Facility. The Borrower further acknowledges and confirms that all such fees and charges are reasonable and acceptable to the Borrower.

Note: The Lender's legal fees/costs are in addition to the above.

6086 Mayfield Inc.
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Schedule "B" - Insurance Requirements

HAZARD INSURANCE I

PERMANENT STRUCTURES

It is clearly understood and agreed that the insurance requirements contained herein are a minimum guide and, although they must be adhered to throughout the life of the Mortgage, they in no way represent the Lender's opinion or advice as to the full scope of insurance coverage a prudent Borrower would arrange to adequately protect its interest.

If the Borrower fails to take out or to keep in force or provide the Lender with evidence of such minimum insurance as is required hereunder, then the Lender may, but shall not be obligated to, take out and keep in force such insurance for the benefit of the Lender, at the immediate sole cost and expense of the Borrower.

A - GENERAL CONDITIONS:

1. All insurance policies shall be in a form and with insurers reasonably acceptable to the Lender. Deductibles, where used, will be allowed only as they may be reasonably acceptable to the Lender.
2. The Mortgagor will provide the Lender with satisfactory evidence that the required insurances are in place.
3. The Lender retains the right to update and change the requirements at any time during the term of the mortgage agreement.
4. The Mortgagor shall be a Named Insured on all policies.
5. All losses will be payable to the Lender as First Mortgagee & Loss Payee, the policies will include an Insurance Bureau of Canada Standard Mortgage Clause.

If there is currently a First Mortgagee on the property, then the Lender will show as Mortgagee and Loss Payee as their interest may appear, until the insurer has received a release of interest from the prior lender at which time the policies will be endorsed to show the Lender as First Mortgagee and Loss payee

6. The policy shall contain a clause that the Insurer will neither terminate nor alter the policy to the prejudice of the Lender except by registered letter to the Lender giving notification of at least thirty (30) days. The Mortgagor will replace any terminated policy providing similar coverage with no cessation in coverage.

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HAZARD INSURANCE I

PAGE 2

B - PROPERTY INSURANCE:

The Mortgagor will insure and keep insured the improvements and all insurable property forming part of the mortgaged Premises, in an amount not less than the Replacement Cost thereof:

1. On an Broad Form/All Risk basis, including:
 - a. Flood,
 - b. Earthquake,
 - c. Sewer Backup
 - d. Blanket Building By-laws.
2. Subject to a Stated Amount Co-insurance Clause or No Co-insurance requirement.
3. Coverage is to be subject to a Replacement Cost Endorsement with no requirement to replace on the same or an adjacent site.

C – EQUIPMENT BREAKDOWN INSURANCE (BOILER AND MACHINERY):

The Mortgagor will also maintain Equipment Breakdown insurance with a Limit of Loss equal to that insured under Section B, to cover all building equipment and machinery (and production machinery, if applicable) for explosion, electrical loss or damage and mechanical breakdown and including Repair & Replacement and By-Laws.

D - BUSINESS INTERRUPTION INSURANCE:

The Mortgagor will effect and maintain Business Interruption Insurance, on a Gross Rents or Profits form for one hundred percent of the annual rents as detailed in the rent roll for a minimum period of twelve months or such greater period as the lender may require.

This insurance is to apply to both the Property and Boiler coverages.

E - LIABILITY INSURANCE:

The Mortgagor will effect and maintain Public Liability Insurance in an amount of not less than \$10,000,000, per occurrence, on either a Comprehensive General Liability or Commercial General Liability form. The policy will name the Mortgagee as an Additional Insured (but only in respect to liability arising out of the operations of the Mortgagor).

6086 Mayfield Inc.
6086 Mayfield Road, Caledon, ON
May 9, 2025

Schedule "C" – Minimum Selling Prices

(Intentionally Deleted)

6086 Mayfield Inc.
6086 Mayfield Road, Caledon, ON
May 9, 2025

Schedule "D" – Cost Consultant Requirements

(Intentionally Deleted)

ROYAL BANK OF CANADA

Applicant

-and- FALCON XPRESS TRANSPORTATION GROUP INC. et al

Respondents

Court File No. CV-25-00001464-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Brampton

**SUPPLEMENTARY MOTION RECORD
OF THE RESPONDENTS
(Motion Returnable June 6, 2025 at 9:00a.m.)**

KRAMER SIMAAN DHILLON LLP

Litigation Counsel

120 Adelaide Street West

Suite 2100

Toronto, Ontario

M5H 1T1

Micheal Simaan #41396A

EMAIL: msimaan@kramersimaan.com

TEL: (416)601-0965

Lawyers for the Respondents