



This is the 1st Affidavit of Philippe Frenette in this case and was made on December 2, 2022

No.

S229607

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

MITSUBISHI HC CAPITAL CANADA, INC.

Petitioner

- and -

VIC VAN ISLE CONSTRUCTION LTD.

Respondent

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
VIC VAN ISLE CONSTRUCTION LTD.**

AFFIDAVIT

I, PHILIPPE FRENETTE, of the City Montreal, in the Province of Quebec, AFFIRM, THAT:

1. I am Vice President, Factoring & Asset-Based Lending, at Mitsubishi HC Capital Canada, Inc. ("**Mitsubishi**"), the Petitioner. As such I have personal knowledge of the facts hereinafter deposed to except where stated to be on information and belief, in which case I verily believe them to be true.
2. I am authorized to make this affidavit on behalf of Mitsubishi.
3. I affirm this affidavit in support of Mitsubishi's application appointing BDO Canada Limited as receiver over the books and records and certain equipment assets of the Respondent, Vic Van Isle Construction Ltd. (the "**Debtor**").

Mitsubishi

4. Mitsubishi is a financial institution providing financing solutions to Canadian businesses. A copy of the Mitsubishi's Corporate Profile Report is attached as **Exhibit "A"**.
5. In and around April 2021, Mitsubishi UFG Lease and Finance Company Limited ("**Mitsubishi Japan**"), a Japanese conglomerate, and Hitachi Capital Corporation, a Japanese entity and formerly a wholly owned subsidiary of Mitsubishi Japan, merged as part of a global transaction (the "**Mitsubishi Transaction**").
6. In Canada, Mitsubishi previously operated under the name Hitachi Capital Canada Corp. ("**HCC**"). Following the Mitsubishi Transaction, in October 2021, HCC changed its name to "Mitsubishi HC Capital Canada, Inc." and remains the lender under the loan and security documents with, among others, the Debtor, which are described below.

The Debtor

7. The Debtor was a general contractor and design builder. Prior to the Debtor ceasing operations, it, or its amalgamation predecessors, had projects in interior British Columbia, Alberta and Ontario.
8. Pursuant to a corporate reorganization effective April 1, 2021 (the "**Reorganization**"), Five Star Management Ltd., Vic Van Isle Construction Ltd., VVI Construction Ltd., Wood-Nor Construction Ltd., Glacier Building Supplies (1986) Ltd., and Glacier Building Supplied Ltd. (collectively, the "**Amalgamation Predecessors**") amalgamated under the laws of the Province of British Columbia to form the Debtor, as amalgamation successor. Attached as **Exhibit "B"** is a copy of the Debtor's Corporate Profile Report.

The Credit Agreement and Security Agreements

9. The Debtor, as amalgamation successor, is the borrower under a Secured Revolving Credit Agreement dated April 21, 2020, as amended by an amending agreement dated March 18, 2021 (as amended, the "**Credit Agreement**"), with Mitsubishi (formerly HCC), as lender. A copy of the Credit Agreement, together with the March amendment, is attached as **Exhibit "C"**.
10. Pursuant to the Credit Agreement Mitsubishi, through HCC, extended to the Debtor, through certain of the Amalgamation Predecessors, a secured demand revolving credit facility up to the lesser amount of (i) \$4,000,000 and (ii) a "borrowing base limit" calculated in accordance with the terms of the Credit Agreement.
11. As security for the payment and performance the Debtor's obligations under the Credit Agreement, each of the Amalgamation Predecessors, among others, granted a security interest in all of their respective real and personal property pursuant to the terms of general security agreements (collectively, the "**Security Agreements**"). A copy of the executed general security agreements from each of the Amalgamation Predecessors in favour of HCC is collectively attached as **Exhibit "D"**.
12. Following the Reorganization, the Debtor, among others, executed a Confirmation and Acknowledgment dated April 1, 2021 (the "**Confirmation and Acknowledgement**"), whereby the Debtor, among others, acknowledged and confirmed its obligations as amalgamation successor of the Amalgamation Predecessors to HCC (now Mitsubishi)

under the Credit Agreement. Pursuant to the Confirmation and Acknowledgement, the Debtor, among others, also acknowledged and confirmed the validity and enforceability of, among other things, the applicable Security Agreement as against it. A copy of the Confirmation and Acknowledgment is attached as **Exhibit “E”**.

13. As at December 2, 2022, the principal amount owing to Mitsubishi by the Debtor under the Credit Agreement is \$1,088,245.56, plus interest and fees (including legal fees) (the “**Indebtedness**”).

The PPR Search

14. HCC registered the security interests granted to it pursuant to the Security Agreements in the British Columbia Personal Property Register in accordance with the *Personal Property Security Act* (British Columbia).
15. Following the Reorganization, HCC amended its security registrations to reflect the Debtor as amalgamation successor to the Security Agreements.
16. The registrations were also updated to reflect Mitsubishi as the secured party in accordance with the *Personal Property Security Act* (British Columbia).
17. A copy of the Personal Property Registry Search Result dated November 9, 2022 (the “**PPR Search**”) is attached as **Exhibit “F”**.
18. The PPR Search reveals the following security registrations in addition to those of Mitsubishi:
 - (a) several registrations in favour of Ocean Park Ford Sales Ltd. in respect of certain serial numbered goods, which property is not subject to this receivership application;
 - (b) a subsequent in time all present and after acquired personal property registration in favour of Bank of Montreal;
 - (c) a subsequent in time all present and after acquired personal property registration in favour of one of the principals of the Debtor, Kenneth Lewis Hendrickson. Mr. Hendrickson is a personal guarantor of the obligations of the Debtor under the Credit Agreement;
 - (d) a subsequent in time all present and after acquired personal property registration in favour of Western Surety Company; and
 - (e) a subsequent in time all present and after acquired personal property registration in favour of the Receivables Management Office – Alana Lowery.
19. Based on the PPR Search, Mitsubishi’s security registration is first in time to all other registrations that contain collateral descriptions indicating a general security interest over all of the Debtor’s personal property. The collateral subject to the registrations in favour of Ocean Park Ford Sales Ltd. – some of which are registered prior in time to Mitsubishi’s registration – are not subject to the receivership order being sought by the Petitioner.

Demand and Notice of Intention to Enforce Security

20. Pursuant to Section 2.5 of the Credit Agreement, Mitsubishi may, at any time, demand repayment in full of the Indebtedness. By letter dated February 28, 2022 (the "**Demand Letter**"), Mitsubishi demanded from the Debtor, among others, repayment in full of the Indebtedness, which at the time of the Demand Letter totaled approximately \$3.6 million. A copy of the Demand Letter is attached as **Exhibit "G"**.
21. In conjunction with the Demand Letter, Mitsubishi served the Debtor, among others, with a Notice of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act (Canada)* (the "**BIA Notice**"). The Debtor waived the 10-day waiting period by executing a Consent to Early Enforcement. A copy of the BIA Notice and Consent to Early Enforcement is attached as **Exhibit "H"**.

The Forbearance Agreement

22. On March 9, 2022, Mitsubishi and the Debtor, among others, entered into a forbearance agreement (the "**Forbearance Agreement**"). A copy of the Forbearance Agreement is attached as **Exhibit "I"**.
23. Pursuant to the terms of the Forbearance Agreement, among other things:
 - (a) the Debtor acknowledged: (i) the validity and enforceability of the Indebtedness and security granted under the Security Agreements, (ii) that the Debtor has no defenses to Mitsubishi's enforcement of its security, including the appointment of the Receiver, (iii) the Debtor is in default of its obligations to Mitsubishi, and (iv) Mitsubishi has demanded repayment of the Indebtedness and may enforce its rights and remedies against the Debtor;
 - (b) the Debtor acknowledged that all of the security held by Mitsubishi is valid, binding and enforceable in accordance with its terms; and
 - (c) Mitsubishi agreed to forbear from enforcing its rights against, among others, the Debtor, until the earlier of: (i) the occurrence of a "Forbearance Terminating Event" (as defined in the Forbearance Agreement), or (ii) June 30, 2022 (the "**Forbearance Deadline**").
24. In addition to the foregoing, the Forbearance Agreement required the Debtor to find new financing on or before April 30, 2022, in an amount sufficient to repay the Lender in full. This was not achieved.
25. Further, the Debtor, among others, represented and warranted to Mitsubishi that a related party (the "**Related Party**") had executed a letter of intent to purchase certain real property municipally located at 96 Cartier Street, Revelstoke, British Columbia (the "**Real Property**"). The Related Party is the brother-in-law of one of the Principals of the Debtor.
26. Lastly, the Debtor covenanted to repay the Indebtedness in full by the Forbearance Deadline. The Indebtedness remains due and owing and the Forbearance Deadline, as extended from time to time, has passed.

27. Upon the occurrence of the Forbearance Deadline or a Forbearance Terminating Event (each as defined in the Forbearance Agreement), the Debtor, among others, irrevocably consented to the appointment of a receiver by Mitsubishi.

Partial Assignment of Debt and Security

28. In March 2022, the Debtor expressed to Mitsubishi its financial difficulties and requested certain accommodations, which gave rise to the Forbearance Agreement. In particular, the Debtor advised the Lender that one of the principals of the Debtor had arranged with his brother-in-law – the Related Party - to provide liquidity to repay the Indebtedness.
29. After a failed attempt to purchase the Real Property by the Related Party, Mitsubishi worked with the Debtor and Related Party towards a transaction whereby the Related Party would purchase the entirety of the Indebtedness and security from Mitsubishi (the “**Related Party Refinancing Transaction**”). Attached as **Exhibit “J”** is a copy of an email dated April 5, 2022, from counsel to the Related Party, among others, confirming a discussion setting out the Related Party Refinancing Transaction.
30. At the request of the Related Party, Mitsubishi executed a letter agreeing to extend the Forbearance Deadline to April 8, 2022, for the Related Party Refinancing Transaction to be completed. Attached as **Exhibit “K”** is an e-mail from counsel to the Related Party to counsel to Mitsubishi, among other things, requesting (on behalf of the Debtor) an extension to the Forbearance Deadline. Attached as **Exhibit “L”** is a copy of a letter from the counsel to Mitsubishi to the Debtor agreeing to extend the Forbearance Deadline to April 8, 2022.
31. As a result, the Related Party Refinancing Transaction structure changed back to focus on the Related Party purchasing the Real Property instead of the Indebtedness.

The Land Payout Letter

32. On April 27, 2022, Mitsubishi entered into a Land Payout Letter (the “**Land Payout Letter**”), whereby Mitsubishi consented to the sale of the Real Property to an entity controlled by the Related Party in exchange for a paydown of the Indebtedness by \$1.65 million and Mitsubishi discharging its mortgage on the Real Property. A copy of the Land Payout Letter is attached as **Exhibit “M”**.
33. To assist the Debtor, Mitsubishi agreed to allow \$300,000 of the proceeds from the sale of the Real Property to the Related Party to be used by the Debtor to fund its immediate working capital needs.

The Partial Paydown Letter

34. By July 2022, Mitsubishi had still not received the \$1.65 million pursuant to the Land Payout Letter.
35. As a result, on July 6, 2022, Mitsubishi executed a further Partial Paydown Letter with the Debtor (the “**Partial Paydown Letter**”) to facilitate an agreement whereby Mitsubishi agreed to the discharge certain easements registered against the Real Property that the Related Party required to be removed as part of the purchase. A copy of the Partial Paydown Letter is attached as **Exhibit “N”**.

36. Although the closing date for the sale transaction of the Real Property was delayed, Mitsubishi ultimately received the \$1.65 million and discharged its mortgage and other registrations against the Real Property.

The Proposed Third Party Financing

37. Upon receipt of the funds from the sale of the Real Property as a partial reduction of the Indebtedness, Mitsubishi focused its efforts on working with the Debtor to obtain repayment of the balance of the Indebtedness. The Debtor advised that it was in the process of obtaining re-financing from a reputable third party financial institution that would be sufficient to repay the remainder of the Indebtedness in full.
38. From July until as recently as last week, Mitsubishi continued to work with the Debtor to complete the proposed refinancing.
39. Mitsubishi kept receiving assurances from the Debtor that the refinancing was almost complete. Despite these assurances, the financing has kept facing delays.
40. I understand from my discussions with the third party financier, as well as the Debtor, that the parties continue to work towards completing the refinancing. Mitsubishi remains hopeful that the refinancing is the best path forward for the Debtor and its stakeholders including Mitsubishi, and the appointment of the Receiver does not seek to jeopardize the refinancing if possible.

The Landlord Distress Notice

41. On November 22, 2022, Mitsubishi received a letter from Accurate Effective Bailiffs Ltd. (the "**Bailiff**"). A copy of this letter is attached as **Exhibit "O"**.
42. The letter from the Bailiff advised that it had seized certain serial numbered goods of the Debtor pursuant to the *Rent Distress Act* (British Columbia). In particular, the seized equipment is the following (collectively, the "**Seized Equipment**"):
 - (a) 2008 Gradall 544D-10 4X4 S/N 0160032663 or 0160032696;
 - (b) 2014 John Deere 624K Front End Loader s/n 1DW624KTVEF661885, and
 - (c) 2013 Genie Lift 45/25 s/n Z452513A-47333.
43. The Seized Equipment is subject to Mitsubishi's security pursuant to the Security Agreements and Mitsubishi has registrations against the serial numbers of the Seized Equipment at the Personal Property Security Registry.
44. The correspondence from the Bailiff advised that it would be in a legal sale position on November 30, 2022. The Bailiff is acting on behalf of the Related Party, who was apparently the landlord of the Debtor at the Real Property where the Lender's collateral is located.
45. In response to the Bailiff's letter, counsel to Mitsubishi wrote to the Bailiff and counsel to the Related Party expressing Mitsubishi's concern and surprise regarding the purported exercise of distress by the Related Party as landlord (the "**Response to Landlord**").

Distress Letter"). A copy of the Response to Landlord Distress Letter is attached as **Exhibit "P"**.

46. In the Response to Landlord Distress Letter, counsel to Mitsubishi requested from the Related Party various supporting documentation for the purported lease of the Real Property and exercise of distress rights.
47. On November 29, 2022, counsel to Mitsubishi received from counsel to the Related Party a letter attaching the lease agreement between the Debtor and the Related Party and setting out the basis for the Related Party exercising its distress rights. According to the letter:
 - (a) The Related Party and Debtor entered into a lease on July 4, 2022 in respect of the Real Property for a term expiring August 31, 2023. According to the lease, base rent totaled \$400,000 per year paid in monthly installments of \$33,333, plus additional rent.
 - (b) On October 11, 2022, the Related Party delivered a Notice of Default to the Debtor advising that the rent was in arrears as at October 11, 2022 in the amount of \$140,539.63.
 - (c) On October 18, 2022, the Related Party delivered an updated Notice of Default reducing the rental arrears owing to \$116,639.63. On the same day, the Related Party executed a Distress Warrant pursuant to the *Rent Distress Act* authorizing the Bailiff to distrain goods and chattels of the Debtor at the Real Property to satisfy rent arrears of \$116,639.63 owing as at October 17, 2022.
 - (d) On October 20, 2022, the Bailiff attended the Real Property. Jamie Hampton, one of the other principals of the Debtor, "surrendered" certain pieces of equipment to the Bailiff appointed by the Related Party.
 - (e) On November 2, 2022, the Related Party delivered another Notice of Default for unpaid rent owing as at November 1, 2022. On November 3, 2022, the Related Party executed another Distress Warrant, and, on November 8, 2022 the Bailiff attended the Real Property again and Mr. Hampton, once again, surrendered to the Bailiff appointed by the Related Party certain additional equipment.
 - (f) On November 24, 2022, the Bailiff once again seized further equipment.

A copy of the November 29, 2022 correspondence, with enclosures is attached as **Exhibit "Q"**.

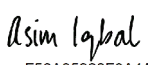
48. Based on the November 29, 2022 letter, and the Debtor's financial situation, and the non-arms' length relationship between the Debtor and the Related Party, it appears that, since the Debtor and the Related Party executed the lease in July, the Debtor never paid rent in accordance with its terms. This was followed by multiple exercises of distress rights where the Debtor voluntarily surrendered Mitsubishi's collateral to the Related Party. In these circumstances, I do not believe there was an expectation that rent would ever be paid and this appears to be an indirect way of diverting Mitsubishi's collateral under the guise of the legal enforcement of a landlord's distress right.

- 49. Further, the actions of the Debtor and Related Party are likely to prohibit any chance of the third party refinancing being completed to the benefit of the Debtor and its stakeholders, including Mitsubishi.
- 50. On November 29 and 30, additional letters were sent among counsel for Mitsubishi and the Related Party where additional information was received regarding the purported exercise of distress rights. Copies of this correspondence is attached as **Exhibit "R"**.

Need for the Receiver

- 51. The Debtor is in default of its obligations to Mitsubishi under, among other things, the Credit Agreement, Security Agreements and Forbearance Agreement.
- 52. The Forbearance Deadline in the Forbearance Agreement has expired. The Debtor has consented to the appointment of a receiver.
- 53. BDO Canada Limited has consented to act as receiver. A copy of BDO's consent is attached as **Exhibit "S"**.
- 54. Mitsubishi requires the appointment of a receiver over the limited property of the Debtor in order to preserve and protect its collateral and maintain the *status quo* through a stay of proceedings.
- 55. Mitsubishi also requires the appointment of the Receiver to investigate the Related Party's purported exercise of a distress right.
- 56. The proposed form of receivership order is over only limited property of the Debtor so as to be minimally intrusive to the business, while preserving the ability of the third party financier to refinance the Debtor, if possible, which I believe is the best path to maximizing value for all stakeholders.
- 57. For the reasons set out, I believe it is just and convenient to appoint the requested limited-scope Receiver.

SWORN before me with the deponent in)
 the City of Montreal, in the Province of)
 Quebec, this 2nd day of December 2022, in)
 accordance with O. Reg. 431/20,)
 Administering Oath or Declaration)
 Remotely.)

DocuSigned by:

 F56A05928F0A4AC...

ASIM IQBAL

DocuSigned by:

 36CBAC49E967489...

PHILIPPE FRENETTE

This is Exhibit “A” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



Ministry of Government and
Consumer Services

Profile Report

MITSUBISHI HC CAPITAL CANADA, INC. as of October 31, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	MITSUBISHI HC CAPITAL CANADA, INC.
Ontario Corporation Number (OCN)	2344373
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	October 01, 2012
Registered or Head Office Address	40 King St, Scotia Plaza 2100, Toronto, Ontario, Canada, M5H 3C2

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

V. Quintanilla W.

Director/Registrar

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

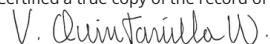
Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name Ryan COLLISON
Address for Service 800 Connecticut Avenue, Norwalk, Connecticut, United States, 06854
Resident Canadian No
Date Began April 01, 2016

Name Francois NANTEL
Address for Service 2200 Rue De La Sidbec Sud, Trois-Rivieres, Quebec, Canada, G8Z 4H1
Resident Canadian Yes
Date Began July 01, 2016

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



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Active Officer(s)

Name Ryan COLLISON
Position Chief Executive Officer
Address for Service 800 Connecticut Avenue, Norwalk, Connecticut, United States, 06854
Date Began April 01, 2016

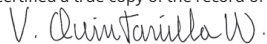
Name Terry HATFIELD
Position Chief Financial Officer
Address for Service 800 Connecticut Avenue, Norwalk, Connecticut, United States, 06854
Date Began October 01, 2012

Name Douglas HIRAI
Position Secretary
Address for Service 800 Connecticut Avenue, Norwalk, Connecticut, United States, 06854
Date Began July 05, 2016

Name Kirk MANN
Position Vice-President
Address for Service 800 Connecticut Avenue, Norwalk, Connecticut, United States, 06854
Date Began April 17, 2017

Name Francois NANTEL
Position President
Address for Service 2200 Rue De La Sidbec Sud, Trois-Rivieres, Quebec, Canada, G8Z 4H1
Date Began April 01, 2018

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



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Corporate Name History

Name

MITSUBISHI HC CAPITAL CANADA, INC.

Effective Date

October 01, 2021

Previous Name

HITACHI CAPITAL CANADA CORP.

Effective Date

October 01, 2012

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V. Quintanilla W.

Director/Registrar

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Active Business Names

Name	MHCCA
Business Identification Number (BIN)	311393755
Registration Date	October 01, 2021
Expiry Date	September 30, 2026

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

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
Archive Document Package	December 02, 2021
BCA - Articles of Amendment	October 01, 2021
Annual Return - 2020 PAF: ANNIE CORMIER - OFFICER	October 04, 2020
CIA - Notice of Change PAF: FRANCOIS NANTEL - DIRECTOR	July 06, 2020
Annual Return - 2019 PAF: ANNIE CORMIER - OFFICER	September 29, 2019
Annual Return - 2018 PAF: TERRY HATFIELD - OFFICER	October 28, 2018
CIA - Notice of Change PAF: FRANCOIS NANTEL - DIRECTOR	April 03, 2018
CIA - Notice of Change PAF: FRANCOIS NANTEL - DIRECTOR	December 06, 2017
Annual Return - 2017 PAF: RYAN COLLISON - OFFICER	October 08, 2017
CIA - Notice of Change PAF: FRANCOIS NANTEL - DIRECTOR	May 03, 2017
CIA - Notice of Change PAF: FRANCOIS NANTEL - DIRECTOR	December 09, 2016
Annual Return - 2016 PAF: TERRY HATFIELD - OFFICER	October 02, 2016
CIA - Notice of Change PAF: FRANCOIS NANTEL - DIRECTOR	August 09, 2016
CIA - Notice of Change	May 20, 2016

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PAF: LUC ROBITAILLE - DIRECTOR	
CIA - Notice of Change PAF: LUC ROBITAILLE - DIRECTOR	April 14, 2016
Annual Return - 2015 PAF: TERRY HATFIELD - OFFICER	October 03, 2015
CIA - Notice of Change PAF: LUC ROBITAILLE - DIRECTOR	April 17, 2015
CIA - Notice of Change PAF: RYAN COLLISON - OFFICER	March 02, 2015
CIA - Notice of Change PAF: CONNIE SCOTT - OTHER	January 27, 2015
Annual Return - 2014 PAF: TERRY HATFIELD - OFFICER	October 18, 2014
Annual Return - 2013 PAF: TERRY HATFIELD - OFFICER	November 09, 2013
CIA - Initial Return PAF: CONNIE SCOTT - OTHER	May 16, 2013
BCA - Articles of Incorporation	October 01, 2012

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

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

V. Quintanilla W.

Director/Registrar

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This is Exhibit “B” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
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Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



**BC Registry
Services**

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
VIC VAN ISLE CONSTRUCTION LTD.

Date and Time of Search: December 02, 2022 08:48 AM Pacific Time
Currency Date: August 19, 2022

ACTIVE

Incorporation Number: BC1297594
Name of Company: VIC VAN ISLE CONSTRUCTION LTD.
Business Number: 105529879 BC0002
Recognition Date and Time: April 01, 2021 12:01 AM Pacific Time as a result of an Amalgamation
Last Annual Report Filed: April 01, 2022
In Liquidation: No
Receiver: No

AMALGAMATING CORPORATION(S) INFORMATION

Name of Amalgamating Corporation	Incorporation Number in BC
FIVE STAR MANAGEMENT LTD.	BC0472367
GLACIER BUILDING SUPPLIES (1986) LTD.	BC0319521
GLACIER BUILDING SUPPLIES LTD.	BC0752675
VIC VAN ISLE CONSTRUCTION LTD.	BC0472008
WOOD-NOR CONSTRUCTION LTD.	BC0472312

REGISTERED OFFICE INFORMATION

Mailing Address: PO BOX 2490 119 CAMPBELL AVENUE REVELSTOKE BC V0E 2S0 CANADA	Delivery Address: PO BOX 2490 119 CAMPBELL AVENUE REVELSTOKE BC V0E 2S0 CANADA
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RECORDS OFFICE INFORMATION

Mailing Address: PO BOX 2490 119 CAMPBELL AVENUE REVELSTOKE BC V0E 2S0 CANADA	Delivery Address: PO BOX 2490 119 CAMPBELL AVENUE REVELSTOKE BC V0E 2S0 CANADA
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DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

HAMPTON, JAMIE

Mailing Address:

4456 AIRPORT WAY
REVELSTOKE BC V0E 2S3
CANADA

Delivery Address:

4456 AIRPORT WAY
REVELSTOKE BC V0E 2S3
CANADA

Last Name, First Name, Middle Name:

HERRING, MARK

Mailing Address:

39889 WELLS LINE ROAD
ABBOTSFORD BC V3G 2K7
CANADA

Delivery Address:

39889 WELLS LINE ROAD
ABBOTSFORD BC V3G 2K7
CANADA

OFFICER INFORMATION AS AT April 01, 2022

Last Name, First Name, Middle Name:

HAMPTON, JAMES

Office(s) Held: (Treasurer)

Mailing Address:

P.O. BOX 2988
REVELSTOKE BC V0E 2S0
CANADA

Delivery Address:

4456 AIRPORT ROAD
REVELSTOKE BC V0E 2S3
CANADA

Last Name, First Name, Middle Name:

HENDRICKSON, KENNETH LEWIS

Office(s) Held: (President)

Mailing Address:

P.O. BOX 2988
REVELSTOKE BC V0E 2S0
CANADA

Delivery Address:

1593 NICHOL ROAD
REVELSTOKE BC V0E 2S1
CANADA

Last Name, First Name, Middle Name:

WALKER, BRUCE

Office(s) Held: (Secretary)

Mailing Address:

P.O. BOX 2988
REVELSTOKE BC V0E 2S0
CANADA

Delivery Address:

1240 INDUSTRIAL ROAD
KELOWNA BC V1Z 1G5
CANADA

This is Exhibit “C” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

**SECURED REVOLVING CREDIT AGREEMENT
ENTERED INTO IN REVELSTOKE, PROVINCE OF BRITISH COLUMBIA, AS OF
August ____, 2020**

- BETWEEN:** **VIC VAN ISLE CONSTRUCTION LTD. ("VVI")**, a corporation incorporated pursuant to the *Business Corporations Act* (British Columbia) and having a place of business at 96 Cartier Street, Revelstoke, British Columbia, V0E 2S0
- AND:** **VVI CONSTRUCTION LTD. ("Construction")**, a corporation incorporated pursuant to the *Business Corporations Act* (British Columbia) and having a place of business at 96 Cartier Street, Revelstoke, British Columbia, V0E 2S0
- AND:** **LORTAP ENTERPRISES LTD. ("Lortap")**, a corporation incorporated pursuant to the *Business Corporations Act* (British Columbia) and having a place of business at 96 Cartier Street, Revelstoke, British Columbia, V0E 2S0
- AND:** **GLACIER BUILDING SUPPLIES LTD. ("Glacier")**, a corporation incorporated pursuant to the *Business Corporations Act* (British Columbia) and having a place of business at 96 Cartier Street, Revelstoke, British Columbia, V0E 2S0
- AND:** **FIVE STAR MANAGEMENT LTD. ("Five Star")**, a corporation incorporated pursuant to the *Business Corporations Act* (British Columbia) and having a place of business at 119, Campbell Avenue, P.O. Box 2490, Revelstoke, British Columbia, V0E 2S0
- AND:** **GLACIER BUILDING SUPPLIES (1986) LTD. ("Glacier 1986")**, a corporation incorporated pursuant to the *Business Corporations Act* (British Columbia) and having a place of business at 119, Campbell Avenue, P.O. Box 2490, Revelstoke, British Columbia, V0E 2S0
- AND:** **WOOD-NOR CONSTRUCTION LTD. ("Wood-Nor")**, a corporation incorporated pursuant to the *Business Corporations Act* (British Columbia) and having a place of business at 119, Campbell Avenue, P.O. Box 2490, Revelstoke, British Columbia, V0E 2S0

- AND:** **KENNETH LEWIS HENDRICKSON** ("**Hendrickson**"), an individual residing at 1593 Nichol Road, Revelstoke, British Columbia, V0E 2S0
- AND:** **BRUCE WALKER** ("**Walker**"), an individual residing at 1240 Industrial Road, Kelowna, British Columbia, V1Z 2S3
- AND:** **JAMIE GORDON HAMPTON** ("**Hampton**"), an individual residing at 4456 Airport Way, Revelstoke, British Columbia, V0E 2S3
- AND:** **HITACHI CAPITAL CANADA CORP.** ("**HCC**"), a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) and having a place of business at 3390 South Service Rd., Suite 301, Burlington, Ontario, L7N 3J5

WHEREAS the Parties executed a financing offer dated May 28, 2020 (the "**Proposal**");

AND WHEREAS the Borrowers have requested and HCC has agreed to establish the Facility in their favour upon the terms and conditions of this Agreement;

AND WHEREAS the Guarantors have agreed, among other things, to guarantee the Facility.

NOW THEREFORE in consideration of the covenants and agreements between the Parties contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. RECITALS AND DEFINITIONS

- 1.1 The recitals and all schedules attached hereto form an integral part of this Agreement.
- 1.2 Each Borrower acknowledges:
- (a) that it is indebted to HCC pursuant to and in accordance with the terms and conditions hereof and any other agreement between it and HCC; and
 - (b) that it will comply with each and every term, undertaking and covenant contemplated herein and that it will pay all amounts described herein.
- 1.3 Unless otherwise provided, all accounting terms are to be interpreted in accordance with GAAP.
- 1.4 Unless the context requires otherwise, or if defined elsewhere in this Agreement, for the purposes hereof the following words and expressions mean the following:
- 1.4.1 "**Account Receivable**" means any claim and right of a Borrower relating to payment for goods sold, leased or delivered or for services rendered, including, without limitation, any tax credit of such Borrower, purchase order, quote accepted by such Borrower, tax claim or right to an insurance indemnity;

- 1.4.2 "**Advance**" means any actual or deemed advance or other extension or utilization of credit pursuant to this Agreement;
- 1.4.3 "**Agreement**" means this loan agreement and all schedules attached hereto, as it may be amended, restated, supplemented or otherwise modified from time to time;
- 1.4.4 "**Borrowers**" means, collectively, VVI, Construction, Lortap and Glacier, and "**Borrower**" means any one of them;
- 1.4.5 "**Business Day**" means a day, excluding Saturday and Sunday and any statutory holiday, on which most commercial banks are open for business in Vancouver, British Columbia.
- 1.4.6 "**Corporate Guarantors**" means, collectively, Five Star, Glacier 1986 and Wood-Nor, and "**Corporate Guarantor**" means any one of them;
- 1.4.7 "**Corporate Loan Parties**" means, collectively, VVI, Construction, Lortap, Glacier, Five Star, Glacier 1986 and Wood-Nor, and "**Corporate Loan Party**" means any one of them;
- 1.4.8 "**EBITDA**" (income statements) means profits before tax, plus interest, plus depreciation, less non-operating net gains (plus net losses) such as, without limitation, other income or expenses, or gains or losses on disposal of fixed assets;
- 1.4.9 "**Eligible Account Receivable**" means an Account Receivable (net of all good and services tax, harmonized sales taxes and other sales taxes and net of any credit balance, returns, trade discounts, unapplied cash, unbilled amount or retention or finance charges) that is due and payable and that fully complies with the conditions, requirements and terms set forth in this Agreement and whose debtor is deemed acceptable at HCC's sole discretion, which excludes, but is not limited to, non-government receivables whose billing date is ninety (90) days past due, government receivables whose billing date is one hundred and twenty (120) days past due, counterparty accounts, cross-aged accounts and holdbacks, inter-company or affiliate accounts or receivables and any account related to such receivables;
- 1.4.10 "**Eligible Equipment**" means equipment owned by a Borrower that fully complies with HCC's conditions and requirements, including, without limitation, such equipment that is less than TEN (10) years old, and has been selected and approved by HCC following an appraisal by an external evaluation firm approved by HCC and carried out at such Borrower's expense to determine the equipment's residual net worth and residual life. During the entire term of this Agreement, any new equipment shall not be considered Eligible Equipment until it has been appraised. All equipment will be appraised at the time of its selection and will be subject to a depreciation of ONE POINT SIXTY SIX (1.66%) percent per month from the date of the applicable funding;
- 1.4.11 "**Facility Limit**" means the lesser of: (i) \$4,000,000; and (ii) the Borrowing Base Limit.
- 1.4.12 "**Fixed Charges**" means the sum of taxes paid in a year (income statements), plus the sum of interest (income statements), plus principal payments on long-term debt and on capital leases (income statements) cash flow;

- 1.4.13 "**GAAP**" means, at any time, those generally accepted accounting principles which are in effect in Canada, from time to time, applied in a consistent manner from period to period;
- 1.4.14 "**Guarantors**" means, collectively, Five Star, Glacier 1986, Wood-Nor, Hendrickson, Walker and Hampton, and "**Guarantor**" means any one of them;
- 1.4.15 "**Indebtedness**" means, at any time, the aggregate at such time of: (i) the principal amounts outstanding of all Advances; (ii) all overdue and unpaid fees, indemnities and expenses; (iii) any other amounts advanced by HCC to the Borrowers; (iv) any amounts payable by any of the Borrowers to HCC; and (v) all unpaid interest in respect of any of the foregoing.
- 1.4.16 "**Individual Guarantors**" means, collectively, Hendrickson, Walker and Hampton, and "**Individual Guarantor**" means any one of them;
- 1.4.17 "**Lands**" means the land owned by Glacier 1986 and described in Schedule A hereof;
- 1.4.18 "**Loan Documents**" means, collectively, this Agreement, the Security, and all other certificates, instruments and documents delivered from time to time by or on behalf of a Loan Party in connection herewith or therewith;
- 1.4.19 "**Loan Parties**" means, collectively, VVI, Construction, Lortap, Glacier, Five Star, Glacier 1986, Wood-Nor, Hendrickson, Walker and Hampton, "**Loan Party**" means any one of them;
- 1.4.20 "**Material Adverse Change**" means any event having a material adverse impact on the business, affairs, activities, assets or capital stock of a Loan Party in the opinion of a reasonable lender;
- 1.4.21 "**Maturity Date**" means _____;
- 1.4.22 "**Obligations**" means all of the present and future indebtedness, liabilities and obligations of the Loan Parties (or any of them) to HCC, direct or indirect, joint or several, absolute or contingent, including without limitation, all present and future indebtedness, liabilities and obligations under this Agreement, any other Loan Document, including, without limiting the generality of the foregoing, all fees, costs, expenses and indemnity obligations hereunder and thereunder;
- 1.4.23 "**Parties**" means, collectively, VVI, Construction, Lortap, Glacier, Five Star, Glacier 1986, Wood-Nor, Hendrickson, Walker, Hampton and HCC, and "**Party**" means any one of them; and
- 1.4.24 "**Permitted Encumbrances**" means, as at any particular time, any of the following encumbrances on the property of a Corporate Loan Party, or the Lands in particular:
- (a) reservations, limitations, provisos and conditions expressed in any original grant from the Crown;
 - (b) easements, rights-of-way, servitudes, zoning restrictions, leases, or other similar rights or restrictions in property (including, without limitation, rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric

light, power, telephone, telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons and other minor defects, encumbrances and restrictions which either alone or in the aggregate do not materially detract from the value of such property or materially impair its use by a Corporate Loan Party;

- (c) security interests or other interests given when required by a Corporate Loan Party to any public utility, municipality, governmental or other public authority in the ordinary course of the business of a Corporate Loan Party, which either alone or in the aggregate do not materially detract from the value of the property affected thereby or materially impair its use by a Corporate Loan Party;
- (d) security interests in favour of HCC pursuant to the Security;
- (e) in respect of the Lands, the following encumbrances in favour of Business Development Bank of Canada: (i) a mortgage registered with registration no. CA2091774 and (ii) an assignment of rents registered with registration no. CA2091775;
- (f) in respect of the personal property of the Corporate Loan Parties, security interests in favour of Business Development Bank of Canada, subject to the terms of the priority agreement dated August ____, 2020 between Business Development Bank of Canada, HCC, VVI, Construction, Lortap, Glacier, Glacier 1986 and Wood-Nor; and
- (g) all other encumbrances as are specifically disclosed in writing to HCC and for which the Bank agrees to accept such encumbrances in writing as Permitted Encumbrances for the purposes of the Agreement and the Security.

2. **FINANCING**

2.1 Demand Revolving Credit Facility

Subject to the terms and conditions hereof, HCC agrees to make available to the Borrowers a demand revolving credit facility, available up to an amount not exceeding the Facility Limit (the "**Facility**").

2.2 Use of Funds and Revolving Financing

- (a) The Facility shall only be used for general working capital and general corporate purposes, and to refinance certain credit facilities currently held by certain Corporate Loan Parties; and
- (b) Each Borrower may borrow, repay and reborrow Advances from time to time with the aggregate principal amount not to exceed the Facility Limit subject to the drawdown conditions for the Facility as more particularly described below.

2.3 Borrowing Base Limit

The Borrowers shall ensure that the total amount of all Advances outstanding at any given time under the Facility does not exceed the Facility Limit.

The "**Borrowing Base Limit**" is calculated as the aggregate of the following amounts:

- (a) eighty five (85%) percent of the value, determined by HCC in its sole discretion, of the invoiced Eligible Accounts Receivable, after deducting the credit balances, credit notes, contra accounts, priority claims, priority payables and any fees, up to a maximum aggregate amount of TWO MILLION FIVE HUNDRED THOUSAND (\$2,500,000.00) DOLLARS;
- (b) eighty five (85%) percent of the forced liquidation value, as determined by HCC in its sole discretion, of the Eligible Equipment, up to a maximum aggregate amount of TWO MILLION FIVE HUNDRED THOUSAND (\$2,500,000.00) DOLLARS; and
- (c) twenty five (25%) percent of the cost of the selected and approved inventory determined by HCC in its sole discretion, up to a maximum aggregate amount of TWO HUNDRED THOUSAND (\$200,000.00) DOLLARS.

The Borrowing Base Limit shall be calculated by HCC based on a biweekly valuation of the Accounts Receivable and the latest valuation of the Eligible Equipment and other assets of the Borrowers. Each Borrower shall provide HCC with a borrowing base certificate and a certificate of borrowing value in accordance with this Agreement, each acceptable to HCC and duly executed by a responsible officer of such Borrower, no later than the fifteenth (15th) day of each month.

2.4 Advance Request

A Borrower shall make an Advance request in writing, each in a minimum amount of FIFTY THOUSAND (\$50 000.00) DOLLARS, which Advance shall be issued by HCC within two (2) Business Days following such written request by such Borrower. Each Advance is subject to written confirmation from HCC that all conditions precedent required under this Agreement have been met, including, without limitation, compliance with Section 2.3.

2.5 Maturity Date

The Facility shall be available to the Borrowers until the Maturity Date. Notwithstanding the immediately preceding sentence, the Borrower acknowledges that HCC may, at any time prior to the Maturity Date, demand repayment in full of the Indebtedness, which amount shall forthwith be repaid by the Borrowers upon such demand.

3. **FEES AND INTEREST**

3.1 Set-up Fee

- 3.1.1 The Borrowers shall pay a set-up fee in the amount of TWENTY THOUSAND (\$20,000) DOLLARS (the "**Set-up Fee**") on or prior to the initial Advance hereunder. HCC confirms receipt of TEN THOUSAND (\$10,000) DOLLARS of the Set-up Fee.

3.2 Interest Rate

The Advances shall bear interest at a variable annual rate equal to the BA Rate (as defined below) + 7.90%, for all withdrawals, calculated daily, compounded and

calculated monthly. For the purposes hereof, the BA Rate means, each day, the annual interest rate equal to and identified by HCC as the average discount rate (rounded up if necessary to the nearest 0.01%) for one-month bankers' acceptances in Canadian dollars as posted on the Bloomberg "CDOR01 Index" at approximately 10:30 AM EST on the first (1st) day of the month or, if that day is not a Business Day, the preceding day (the "BA Rate"); provided that: (i) if such a rate is not shown on the Bloomberg screen as provided, the BA Rate shall be, each day, the annual interest rate determined by HCC as being equal to the one-month Canadian bankers' acceptance rate as posted on the Reuters Screen CDOR page; and (ii) if the rate as determined as aforesaid shall ever be less than 0%, such rate shall be deemed to be 0% for the purposes of this Agreement.

3.3 Calculation and Payment of Interest

3.3.1 Interest shall be calculated daily, not in advance, based on a 365-day year (or 366-day year, in the case of a leap year), compounded and charged monthly, until expiry, and payable both before and after default, demand, maturity and judgment. For the purposes of the *Interest Act* (Canada), if the interest is determined or expressed on the basis of a period of less than a 365-day year, the equivalent annual rate is the rate so determined or expressed divided by the number of days in that period and multiplied by the actual number of days in that calendar year.

3.3.2 Interest shall be paid on the first (1st) Business Day of each month commencing the first Business Day of the month immediately following the month of the first Advance.

3.4 Interest on Arrears

3.4.1 To the maximum extent permitted by applicable law, each Borrower shall pay interest on all overdue amounts owing by such Borrower hereunder (including any overdue interest payments) from the date each such amount is due until the date each such amount is paid in full. Such interest shall be calculated daily, compounded monthly and payable on demand of HCC at a rate per annum equal to the BA Rate plus fifteen (15%) percent.

4. **REPAYMENT AND EARLY REPAYMENT**

4.1 Repayment

The Facility shall be repayable on demand.

4.2 Mandatory Prepayments

Without limiting HCC's right to terminate Facility 1 and demand payment at any time, the Borrowers shall also prepay the Advances owing under Facility 1 as follows:

- (a) if the amount of outstanding Advances under the Facility exceeds the Borrowing Base Limit at any time, the Borrowers shall immediately repay such excess upon notice thereof by HCC;
- (b) any sale or issuance of debt, shares or any other form of equity;
- (c) any sale or disposition of assets;

(d) insurance and condemnation proceeds,
with exceptions to be determined in the sole discretion of HCC.

4.3 Voluntary Prepayments

Subject to Section 14 hereof, each Borrower may at any time repay Advances under the Facility without prejudice to its right to reborrow, but subject at all times to the Facility Limit.

5. **PAYMENTS**

5.1 Place of Payments and Deposits

All payments to be made by a Borrower relating to the Indebtedness shall be made in immediately available funds by wire transfer to HCC to the account indicated in Schedule B hereof or, at the request of HCC only, by certified cheque made payable to "Hitachi Capital Canada Corp." and sent to HCC's address indicated in the recitals hereof.

5.2 Payment Date

The amounts deposited in the Deposit Accounts identified in Schedule C hereof shall be paid to HCC according to Section 5.1 hereof every Thursday before 1:00 PM EST. Payments due on a day that is not a Business Day shall be made on the following Business Day but shall bear interest until received. If a Borrower fails to make a payment owing by it, HCC reserves the right (but not the obligation) to either deduct from an Advance any such outstanding or to add such amount to the Indebtedness as an Advance.

6. **CONDITIONS PRECEDENT TO THE ISSUANCE OF ADVANCES**

6.1 Conditions Precedent to any Advance

6.1.1 The obligation of HCC to make any Advance (including, without limitation, the initial Advance hereunder) is subject to and conditional upon the satisfaction of the following conditions precedent, each to the entire satisfaction of HCC:

- (a) HCC shall have completed its due diligence, including, without limitation, a final on-site audit by its employees;
- (b) HCC shall have received, in form and substance satisfactory to it, all of the following:
 - (i) this Agreement duly executed by each Loan Party;
 - (ii) an officer's certificate for each Corporate Loan Party, which shall include, among other things: (A) certified copies of its articles, by-laws, any

unanimous shareholder agreement, and any other constating documents; (B) an incumbency certificate for its signing officers; (C) a certified copy of a director resolution and shareholder resolution, if applicable, authorizing the borrowing of the Facility and the execution and delivery of the Loan Documents;

- (iii) a Certificate of Good Standing for each Corporate Loan Party issued by the Registrar of Corporations, British Columbia;
- (iv) the Security described in Section 7;
- (v) confirmation of completion of all security and mortgage registrations with respect to the Loan Documents as advised by HCC's counsel and in accordance with this Agreement, and receipt of any search reports or other evidence relating to such registrations (along with any necessary executed and registerable postponements from any prior encumbrances);
- (vi) confirmation that Business Development Bank of Canada has granted and funded to the Borrowers a credit facility in the amount of ONE MILLION (\$1,000,000) DOLLARS under terms and conditions acceptable to HCC;
- (vii) copies of any loan agreements, commitment letters, credit agreements or offers of financing (or anything of a similar nature) with existing lienholders or lenders, if any. Any such loan agreements, commitment letters, credit agreements or offers of financing (or anything of a similar nature) shall be in form and substance satisfactory to HCC;
- (viii) certificates of compliance from the Canada Revenue Agency;
- (ix) a list of all equipment (including serial numbered goods (as defined in the *Personal Property Security Act* (British Columbia)), along with all invoices and proof of payment for such equipment, owned by each Corporate Loan Party and a list of all Accounts Receivable of each Borrower, including, without limitation, the list of equipment owned by the Borrowers attached hereto as Schedule E;
- (x) a certificate of insurance in connection with each Corporate Loan Party's insurance policies listing HCC as first loss payee and mortgagee on inventory and equipment and as an additional insured on all general liability policies;
- (xi) an appraisal satisfactory to HCC of the value of the Eligible Equipment of each Borrower;
- (xii) a monthly appraisal satisfactory to HCC of the value of the Accounts Receivable of each Borrower;
- (xiii) a list of the Borrower's assets subject to consignment agreements or conditional sales agreements;
- (xiv) receipt of a borrowing base certificate by HCC from each Borrower in a

form acceptable to HCC and in the form attached hereto as Schedule F, which borrowing base certificate shall include, without limitation, a list of all Accounts Receivable, accounts payable, aging list and a combined balance sheet, prior to the first Advance and on a bi-weekly basis thereafter on each Thursday before 3 pm EST;

- (xv) a legal opinion from counsel to the Borrowers relating to, among other things, the subsistence of each Corporate Loan Party and the authorization, execution, delivery, performance and enforceability of this Agreement and the Loan Documents;
 - (xvi) confirmation that the other lenders, creditors and secured parties of each Corporate Loan Party have consented to the financing in this Agreement;
 - (xvii) confirmations to the complete satisfaction of HCC that no arrears on deductions at source and other prior claims are due which may cause a reduction of the Borrowing Base Limit of an equivalent amount; and
 - (xviii) a certificate of borrowing value not later than the twentieth (20th) day of each month throughout the term of this Agreement;
- (c) confirmation that any proceeds of the sale of any property, real or personal, tangible or intangible, of a Borrower shall be directed and assigned to HCC and such amount shall be held by HCC until such time as HCC is able to assess the effect of such sale on the assets of such Borrower, the security interests of HCC and the Borrowing Base Limit;
 - (d) HCC shall have received payment of all fees and expenses payable to HCC in connection with the Facility and this Agreement, including without limitation payment of the fees and disbursements of HCC's legal counsel;
 - (e) HCC shall have received all information necessary to comply with legal and internal requirements in respect of money laundering legislation and "know your customer" requirements;
 - (f) no default or Event of Default hereunder has occurred and is continuing, or would occur as a result of making any Advance under the Facility;
 - (g) all representations and warranties under this Agreement shall be true and correct in all material respects;
 - (h) confirmation of no Material Adverse Change with respect to the Loan Parties;
 - (i) confirmation that none of the Loan Parties has granted any guarantees or security to a creditor without the prior written consent of HCC; and
 - (j) HCC shall have been provided with such other documents as HCC may reasonably request.

6.2 Waiver of Conditions Precedent

The conditions precedent contemplated by this section 6 are for the sole benefit of HCC. HCC may waive the conditions precedent in whole or in part with or without conditions, without prejudice to its right to require the fulfilment of such conditions and provided that any such waiver by HCC must be confirmed in writing to be enforceable against it.

7. SECURITY

7.1 Security Required

The following security, in form and substance satisfactory to HCC, is or shall be provided, as applicable, from time to time to secure all Obligations of the Loan Parties to HCC, and shall be registered in first position (unless otherwise indicated) (collectively, the "**Security**"):

- (a) a general security agreement from each Corporate Loan Party, each granting a security interest in favour of HCC over all present and after-acquired personal property and constituting a first charge over the inventory, equipment and accounts receivable of each Corporate Loan Party, subject to Permitted Encumbrances;
- (b) a mortgage in the principal amount of SIX MILLION (\$6,000,000) DOLLARS registered against the Lands, subject to Permitted Encumbrances;
- (c) an environmental indemnity agreement in connection with the Lands;
- (d) an assignment of insurance from the Corporate Loan Parties;
- (e) an unlimited guarantee from each Loan Party, each guaranteeing the Obligations of the Borrowers to HCC (or, in the case of the Borrowers, the Obligations of the other Borrowers);
- (f) blocked account agreements in connection with each Borrower's deposit accounts held with any financial institution, including, without limitation, the Deposit Accounts referenced in Schedule C, which agreements shall grant HCC immediate control of such accounts;
- (g) an assignment, subordination and postponement agreement in connection with all shareholder and related party loans; and
- (h) a subordination, postponement and/or priority agreement with any third party creditors and secured parties of the Corporate Loan Parties; and
- (i) such other security as HCC may reasonably request.

7.2 Documentation and Security

7.2.1 The Security shall be valid and enforceable at all times and, where applicable, be enforceable against third parties and confer on HCC good and valid priority of rank as required by this Agreement and the other Loan Documents.

7.2.2 The Loan Documents shall be prepared by HCC's legal counsel in accordance with HCC's requirements and standards.

8. REPRESENTATIONS AND WARRANTIES

- 8.1 Each Corporate Loan Party represents and warrants to HCC as follows, all of which shall be deemed to be repeated on each Advance so long as any Obligations are outstanding:
- (a) each Corporate Loan Party is a valid and subsisting corporation, in good standing under the laws of the jurisdiction of its organization and duly qualified to carry on business in each other jurisdiction where it carries on business;
 - (b) each Corporate Loan Party has all necessary corporate power and authority and all permits and licenses to carry on its business, to own, lease, manage and administer its properties and assets, and to execute, deliver and perform its obligations under the Loan Documents to which it is a party;
 - (c) the Loan Documents to which each Corporate Loan Party is a party have been duly authorized, executed and delivered by it and constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy and insolvency laws, the rights of creditors generally and rules of equity of general application;
 - (d) the execution and delivery of the Loan Documents to which each Corporate Loan Party is a party will not conflict with, contravene or result in a breach of any of its constating documents, any material licenses or permits or any material contract or other agreement to which it is a party or by which it or its properties are bound, except to the extent that any such conflict, contravention or breach would not reasonably be expected to result in a Material Adverse Change and will not result in or require the creation or imposition of any security interest upon any of its assets (other than the security interests created by the Security);
 - (e) each Corporate Loan Party, as applicable, has good and valid right, title and interest in and to all of the material contracts and is in compliance in all material respects with terms of such material contracts;
 - (f) Glacier 1986 has good and valid legal and beneficial title to the Lands, and each Corporate Loan Party, as applicable, has good and valid title to all its other properties, subject only to Permitted Encumbrances;
 - (g) each Corporate Loan Party and its properties (including the Lands) and each subsidiary and its properties, are in compliance with all applicable laws including, without limitation, applicable environmental, health and safety laws and regulations, except to the extent that any such non-compliance would not reasonably be expected to result in a Material Adverse Change, and no Corporate Loan Party nor any subsidiary have received notice of any material non-compliance with any applicable laws or regulations and in respect of which the Corporate Loan Parties, or any of them, have not advised HCC;
 - (h) no actions, suits or other proceedings before any court, governmental authority or before any private dispute and resolving body, are, to the knowledge of each Corporate Loan Party after due inquiry, pending or threatened which, based on a reasonable assessment of its outcome, could, if determined adversely against any Corporate Loan Party or any of its subsidiaries, result in a Material Adverse

Change, nor are there any orders, judgments, writs, injunctions, decrees or determinations of any court, governmental authority or private dispute resolving bodies which would have any of the foregoing effects;

- (i) each Corporate Loan Party has filed all remittances and tax returns required to be made by it, all due taxes have been paid, and there are no tax arrears outstanding;
- (j) each Corporate Loan Party maintains insurance with reputable insurance companies in such amounts and covering such risks as is usually carried by prudent owners engaged in similar businesses and in the case of each Corporate Loan Party, operating similar properties as each Corporate Loan Party;
- (k) the financial statements and financial information delivered to HCC are complete in all material respects and, to the knowledge of each Corporate Loan Party, after reasonable inquiry, fairly present its financial position, and each of them, as of the date referred to therein, and have been prepared in accordance with GAAP;
- (l) each Corporate Loan Party has obtained all necessary consents and approval and has executed all required agreements and documents required in connection with the operation of the Lands; and
- (m) there exists no default or Event of Default under this Agreement and no default has occurred under any other agreement by a Corporate Loan Party.

9. **REPORTS, FINANCIAL INFORMATION AND FINANCIAL COVENANTS**

9.1 Accounting Books and Records

Each Corporate Loan Party shall keep adequate books and other accounting records in accordance with GAAP.

9.2 Review of Financial Information by HCC

- 9.2.1 Each Corporate Loan Party shall provide HCC, within 120 days of its fiscal year end, Review Engagement financial statements;
- 9.2.2 At HCC's request, each Corporate Loan Party shall provide HCC with any other financial information it may reasonably request, including, without limitation, financial statements, reports or other financial information; and
- 9.2.3 At HCC's request, each Individual Guarantor shall provide HCC with a personal balance sheet.

9.3 Financial Covenants

- 9.3.1 Each Borrower covenants and agrees with HCC that, during the term of this Agreement, it shall observe and maintain the following financial covenant at all times in accordance with GAAP and conditions normally applicable to transactions of this nature:

- (a) a minimum fixed charge coverage ratio of 1:1, calculated as follows:

$$\frac{\text{EBITDA less dividends paid (statements of cash flows)}}{\text{total amount of Fixed Charges}}$$

10. RESTRICTIVE COVENANTS

During the term of this Agreement, each Corporate Loan Party covenants and agrees that it shall not, without HCC's prior written consent:

- (a) change its name, merge, consolidate, reorganize, amalgamate or acquire any other corporation or all or substantially all of the assets of any other corporation; provided, however, that each Corporate Loan Party shall be permitted to carry out corporate reorganizations for tax and/or succession planning purposes, provided its shareholders, directly or indirectly, continue to retain at all times all issued and outstanding shares of such Corporate Loan Party;
- (b) sell, lease, assign, transfer, convey or otherwise dispose of, or permit any subsidiary to sell, lease, assign, transfer, convey or otherwise dispose of, any material properties or assets, including the Lands, other than in the ordinary course of business;
- (c) substantially change the nature of its operations or business or cease to carry on business as currently being carried on by it as of the date of this Agreement;
- (d) take proceedings with a view to its corporate dissolution or liquidation;
- (e) create, incur, assume or suffer to exist any mortgage, lien, security interest or other encumbrance of any nature upon or with respect to its assets or undertakings, now owned or hereafter acquired, except for Permitted Encumbrances;
- (f) create, incur, assume or suffer to exist any other indebtedness for borrowed money (except indebtedness resulting from Permitted Encumbrances);
- (g) make any loans or advances (including, without limitation, to its officers, directors, shareholders or related person) or invest in any individual, person, firm, joint venture, partnership, company or corporation (whether arms-length or not) whether by way of loan, acquisition of shares, or acquisition of debt obligations;
- (h) guarantee or act as surety, agree to indemnify the debts of, or provide financial assistance to, any other person, other than in favour of HCC;
- (i) declare or pay dividends or make any other capital distributions to any shareholder, or repay any portion of principal and/or interest owing to any shareholder or any other related party;
- (j) incorporate, form or acquire any subsidiary which will have material assets, the materiality of such assets to be determined by HCC, unless HCC has provided its prior written consent, such subsidiary to execute and deliver to HCC such security and other documentation as HCC may require from time to time; and

- (k) hold bank accounts other than those listed in Schedule C.

11. ENVIRONMENTAL UNDERTAKINGS:

Each Corporate Loan Party:

- a) declares that all the locations where it carries on its business comply with environmental requirements and agrees that all locations where it will carry on business in the future will comply with such requirements;
- b) shall notify HCC forthwith in the event it fails to comply with environmental requirements relating to its assets, activities or those of any neighbouring property. In addition, it shall forward to HCC forthwith any notice, order or fine it may receive or be ordered to pay with respect to the environmental requirements;
- c) shall, in the event it fails to comply with environmental requirements, perform the necessary work to render its business and assets compliant, within a timeframe acceptable to HCC;
- d) agrees to indemnify HCC for any damage HCC may suffer or any liability it may incur due to the failure to comply with environmental requirements; and
- e) upon request by HCC and on its terms, shall provide, at its expense, all information regarding its situation.

The provisions, undertakings and indemnification contemplated herein shall continue to have full effect notwithstanding the termination of any Security contemplated by section 7 hereof.

12. PERFORMANCE UNDERTAKINGS

12.1.1 Positive Covenants

During the term of this Agreement, each Corporate Loan Party covenants and agrees that it shall:

- a) pay or cause to be paid when due all principal, interest, fees and other amounts payable by it under the Loan Documents on the dates and times specified herein and therein;
- b) observe and comply with all terms and conditions of the Loan Documents, and any other agreements entered into with HCC from time to time;
- c) maintain its corporate existence, organization and status in good standing in each jurisdiction in which it holds property or assets and continues to carry on the business and operations currently being carried on by it at the date hereof;
- d) use the proceeds of the Facility solely for the purposes contemplated herein;

- e) carry on its business diligently and continuously in the normal course of its business;
- f) at all times give representatives of HCC or its mandataries, legal counsel and consultants the right to visit and access its establishments, examine their accounting books and other records and take extracts or make photocopies thereof;
- g) maintain at all times the insurance required under section 13 hereof;
- h) promptly notify HCC of the occurrence of (i) any event or circumstance (including any material litigation or similar proceedings commenced or threatened against it, and any sale of assets, guarantees or debt from other lenders) which could reasonably be expected to result in a Material Adverse Change, or (ii) any default or Event of Default under this Agreement, the other Loan Documents or otherwise, together with a detailed statement specifying the nature thereof and the steps being taken or proposed to be taken by it to cure such default or Event of Default;
- i) maintain the licences, permits, trade-marks, authorizations and patents required to carry on its business;
- j) notify HCC forthwith of the acquisition of any real property used to carry on its business or store its equipment;
- k) duly file on a timely basis all tax returns required to be filed by it and duly and punctually pay all property, business, goods and services, income, capital and/or profits, taxes and other governmental charges levied or assessed against it or its property and assets, other than such taxes and charges which are not at the time due and delinquent or the validity of which is being contested in good faith at the time by the Loan Parties or any subsidiary and such contestation effectively postpones the enforcement of any rights thereunder, as the case may be, and in respect of which the Loan Parties or any subsidiary, acting reasonably has set aside on its books reserves considered by it to be adequate therefore
- l) comply with all applicable laws, regulations and directives including, without limitation, those relating to the environment, whether for protection, preservation, clean-up or otherwise, and obtain and maintain in full force and effect, all necessary permits, licenses, approvals, consents, filings, registrations, exemptions, notarizations, required remittances and other authorizations and requirements under applicable law, in connection therewith necessary or desirable for the ownership of its property and to conduct its business
- m) provide HCC with prompt written notice of any regulatory requirements of any governmental authority relating to the environment (including charges, orders, citations, demands or complaints), resulting from environmental incidents associated with any Corporate Loan Party in excess of \$5,000 in any one year;
- n) maintain good and valid legal and beneficial title to all of its properties and assets, including the Lands, and maintain title to all of its properties, including the Lands, free and clear of all security interests, except for the security interests constituted by the Loan Documents and by Permitted Encumbrances;

- o) comply with the terms of material agreements to which it is a party;
- p) maintain and operate its properties, including the Lands, equipment and other assets in a good and workmanlike manner in accordance with sound industry practice, and permit HCC or its agents to enter on and inspect such of its assets and properties (including the Lands) as HCC may reasonably request on reasonable notice during normal business hours;
- q) provide to HCC, as soon as reasonably possible, any information and document HCC may reasonably request from time to time;
- r) remain responsible at all times for all miscellaneous costs related to the inventory and equipment intended for resale including, but without limitation: maintenance, insurance, registration and all other expenses relating to the purchase and use of the equipment and inventory;
- s) deposit, or cause to be deposited, the proceeds from the sale of any and all personal property in the Deposit Accounts with the financial institutions authorized by HCC and as described in Schedule C hereof; and
- t) within 14 days from the date hereof, ensure all its bank accounts with any financial institution or lender (including, without limitation, the bank accounts held with Royal Bank of Canada), other than those listed in Schedule C, are closed.

12.1.2 Access to information

Each Loan Party hereby authorizes any personal information agent, financial institution, creditor, tax authority, employer or any other person, including any public body, holding information about such Loan Party, its officers and guarantors, as applicable, including financial information or information relating to any undertaking or guaranty of such Loan Party, to provide such information to HCC in order to verify the accuracy of any information provided or that will be provided to HCC from time to time and to ensure such Loan Party is solvent at all times. All costs incurred by HCC in obtaining such information, including appraisals of real estate, inventory and other assets, shall be paid exclusively by the Loan Parties.

12.1.3 Priority

Following the execution of this Agreement, each Loan Party agrees that, in the event additional financing is needed, HCC shall have full priority, including a right of first refusal, pre-emptive right and exclusivity with respect to such financing, to arrange such financing and, in the case of HCC's refusal, any charge or security which may be created to secure any such additional financing by a third party shall be of a subsequent rank and subordinate to the Security.

13. **INSURANCE**

13.1 Coverage

Each Corporate Loan Party shall ensure that liability insurance and insurance on all its property (including insurance for loss or damage attributable to fire and other risks

including, without limitation, environmental risk against which businesses of the same type and comparable in size generally insure) is taken out and maintained, and that HCC is named as mortgagee and first loss payee on all inventory and equipment and as additional insured on all general liability policies, to the complete satisfaction of HCC.

13.2 Payment of premiums

Each Corporate Loan Party shall pay all premiums and other amounts necessary to maintain each insurance policy in effect and authorizes HCC to make such payment on its behalf, any such payment constituting an Advance hereunder.

13.3 Prejudice

Each Corporate Loan Party shall not do or omit to do, authorize or permit to be done or not to be done any thing which might prejudice the validity and/or coverage of any insurance policy.

13.4 Release of information

Each Corporate Loan Party shall deliver to HCC promptly:

- a) sufficient evidence as to the existence and maintenance of the insurance required under this section;
- b) a copy of any notice of termination or amendment of an insurance policy; and
- c) such other details as HCC may reasonably require and request from time to time.

13.5 Amendment

Each Corporate Loan Party shall not amend, cancel, terminate or make any material change to any insurance policy without the prior written consent of HCC, unless such Corporate Loan Party replaces such policy with another policy having similar terms and conditions within thirty (30) days of the termination or cancellation of such policy

13.6 Full Disclosure

Before taking out an insurance policy, each Corporate Loan Party must declare to the insurer all facts that are relevant to the insurer's risk.

14. **ADDITIONAL TERMS AND CONDITIONS**

14.1 Fees

The Borrower agrees to pay the following costs within two (2) days of receipt of a statement thereof sent by HCC on the first (1st) Business Day of each month for the previous month. HCC reserves the right to deduct such costs from the Borrowing Base Limit and transfer the payment thereof:

- (a) Standby fee:

The Borrowers agree to pay a monthly standby fee equal to TWO (2.00%) percent annually on any unused portion of the Facility based on the difference between the monthly average use of the Borrowing Base Limit and the maximum amount of the Facility.

(b) Withdrawal fee:

The Borrowers agree to pay a withdrawal fee of FIFTY (\$50.00) DOLLARS for each Advance, and any Advance must be made in minimum increments of FIFTY THOUSAND (\$50,000.00) DOLLARS, unless HCC otherwise agrees in writing.

(c) Repayment fee:

Subject to section 14.7 of this Agreement, the repayment fee shall be ZERO (\$0.00) DOLLARS with no minimum repayment amount, unless HCC otherwise advises in writing.

(d) Monthly management fee:

The Borrowers agree to pay HCC an amount of ONE THOUSAND SEVEN HUNDRED FIFTY (\$1,750.00) DOLLARS per month as a monthly management fee, payable in advance quarterly.

14.2 Credit Limit

The excess use of the Facility, including any amount advanced in excess of the Borrowing Base Limit, will result in the Borrowers' obligation to pay an indemnity equal to the BA Rate plus fifteen percent (15%), calculated daily, compounded and charged monthly, it being understood that such indemnity shall only be calculated on the portion of the amounts advanced exceeding the Borrowing Base Limit.

14.3 Currency

All Advances as well as any withdrawal or repayment shall be made in Canadian dollars only. Any reference to dollars herein refers to Canadian dollars unless indicated otherwise.

14.4 Exchange rate

HCC shall not be liable for any gain or loss resulting from the fluctuation of the exchange rate. Any transaction or exchange fee shall be paid exclusively by the Borrowers.

14.5 Costs, Fees and Disbursements

All legal and other out of pocket costs, fees and expenses of HCC incurred in connection with the due diligence, preparation, negotiation, documentation, registration and enforcement of the Loan Documents shall be for the account of the Borrowers. Each Borrower agrees to pay all such costs, fees and expenses and other direct out of pocket costs upon and by virtue of acceptance of this Agreement by the Borrowers. If the Borrowers fail to pay any such costs, fees and expenses, HCC reserves the right to

either deduct from an Advance any such outstanding costs, fees and expenses or to add any such costs, fees and expenses to the Indebtedness as an Advance.

14.6 Assignment

HCC may assign all its right, title and interest in this Agreement and any such assignee may exercise all the rights conferred on HCC as if such assignee was originally a party hereof. None of the Loan Parties may assign its rights hereunder without the prior written consent of HCC or any of its assignees.

14.7 Repayment by Maturity Date

14.7.1 As indicated in section 2.5 hereof, the Facility is available to the Borrowers until the Maturity Date.

14.7.2 In the event the Borrower contravenes this section 14.7 and repays the Facility before the Maturity Date, an amount equal to **TWO** percent (**2.00%**) of the Facility shall be payable by the Borrowers to HCC. This section 14.7 shall not have the effect of limiting HCC's recourse in the event of a Borrower's default or modify HCC's ability to demand payment under the Facility at any time.

15. **[INTENTIONALLY DELETED]**

16. **DEFAULT**

16.1 Events of Default

Notwithstanding anything expressed or implied to the contrary, all Obligations of the Borrowers to HCC under this Agreement is deemed to be repayable ON DEMAND and such Obligations may be demanded by HCC at any time in HCC's sole and exclusive discretion. In addition to being of a demand nature, the full amount of the Obligations of the Borrowers, together with accrued interest and any other charges then owing by the Borrowers to HCC, shall, at the option of HCC, forthwith be accelerated and be due and payable, and upon being declared to be due and payable, the Security shall immediately become enforceable and HCC may proceed to realize and enforce the same upon the occurrence and during the continuance of any of the following events or circumstances (which events or circumstances are herein referred to as the "**Events of Default**");

- a) if any Borrower fails to make a payment on demand or when it is due and payable or to pay any interest, fees or expenses or any other amount payable under the Loan Documents;
- b) if any Loan Party fails to fulfil any of its obligations under, or defaults in the observance or performance of, any Loan Document and such default is not remedied within five (5) days following receipt of written notice to such effect;
- c) if any Loan Party defaults in the observance or performance of any agreement, including any provision relating to the indebtedness or liability of a Loan Party to any creditor other than HCC;

- d) if the Borrower grants any new guarantee or security to a creditor without the prior written consent of HCC;
- e) if any Loan Party becomes insolvent, goes bankrupt or is liquidated, makes an assignment of its property for the benefit of its creditors or files a proposal in bankruptcy or a notice of intention to file such a proposal;
- f) if, for any reason whatsoever, any Corporate Loan Party ceases to carry on all or a substantial part of its business, changes the nature of its operations or if a Material Adverse Change occurs in its financial condition;
- g) if any proceeding is filed relating to any Corporate Loan Party and/or its operations involving any dissolution, liquidation, reorganisation, composition, arrangement or debt adjustment;
- h) if a Loan Party shall generally not pay its debt as such debt becomes due, or shall admit in writing its inability to pay any debts generally, or shall make a general assignment for the benefit of its creditors; or any proceeding shall be instituted by or against a Loan Party seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors (as applicable), or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official, for it or for any substantial part of its property) shall occur; or a Loan Party shall take any corporate action to authorize or to consent to any of the actions set forth above in this paragraph (h);
- i) if the Borrower is in default under any other agreement, contract or written instrument with HCC or any other creditor, including any supplier, holding rights or any security interest over any assets, whether or not any such default is tolerated by any such creditor, and such default is not remedied within five (5) days following receipt of written notice to such effect;
- j) if any representation or warranty made herein or in a document or certificate given to HCC for the purpose of this Agreement is incorrect, erroneous or inaccurate; and
- k) if any Loan Party fails to notify HCC of any event which could constitute a default hereunder.

16.2 HCC's Rights and Recourses

Without limiting any other right of HCC under this Agreement or the other Loan Documents, including, without limitation, the right of HCC to demand payment of the Obligations at any time, upon the occurrence of an Event of Default:

- a) HCC may declare all monetary obligations of the Borrower which are not yet due to be payable and claim from any Loan Party, without further notice or demand, immediate payment of the Indebtedness, including all costs incurred by HCC for the collection and protection of its claim, and the performance of any other obligation of the Borrowers;
- b) each Borrower shall lose all its rights and privileges hereunder including, without limitation, the right to receive additional Advances, and the Borrower acknowledges that it shall not have the benefit of the term;
- c) HCC may charge the Loan Parties reasonable analysis, administration and monitoring fees, and charge for the account of the Loan Parties any reasonable amount incurred by HCC for services rendered (including the fees of legal counsel, accounting advisers and any other professional whose services may be required or deemed necessary) relating to the realization, sale, transfer, delivery or any payments to be made relating to the enforcement of any of the Security. HCC may also retain any such costs, amounts, fees and disbursements from the proceeds of realization of the Security;
- d) any amount collected or received by HCC, including the balance of any proceeds of realization of the Security, shall be applied to any part of the Indebtedness in such order and in such manner as HCC may determine, with any balance remitted to the Borrowers; and
- e) any expense incurred and amount paid by HCC to realize, maintain or preserve any of the Security granted by a Borrower to HCC hereunder or by law shall bear interest at the BA Rate plus twenty percent (20%), subject to applicable law.

16.3 Waiver, Omission and Recourses Cumulative

- 16.3.1 HCC may grant additional time, take or waive security, agree to set-offs, grant acknowledgements of cancellation and deal with any Borrower as it sees fit without affecting any Borrower's liability or prejudice to HCC's right under the Security.
- 16.3.2 Any failure by HCC to notify any Loan Party of any Event of Default hereunder or to take advantage of its rights hereunder shall not be construed as a waiver by HCC of its right to exercise its recourses upon an Event of Default or to exercise any other right.
- 16.3.3 HCC's acceptance, following a default by the Borrower, of an amount due to it or HCC's exercise of any right or recourse shall not prevent HCC from exercising any other right or recourse, HCC's rights and recourses being cumulative and not alternative and in addition to and not in substitution of any other right or recourse by HCC, whether due to any agreement or otherwise prescribed by law.

17. **MISCELLANEOUS**

17.1 Information Deemed Accurate

All documents and information (including, without limitation, any financial information and financial statements) provided to HCC by any Loan Party, whether or not bearing the signature of a representative of a Loan Party, shall be deemed to be accurate and HCC

may consider such documents and information as such without further formality. All documents provided to HCC by any Loan Party shall either by original copies or true copies of the originals in such Loan Party's possession. These presumptions shall apply to any written or electronic document. Each Loan Party agrees to implement efficient information control systems in accordance with GAAP. Any computerized accounting management system and system for the production of financial statements and financial information in general must be kept up to date by such Loan Party in order to ensure the integrity of the information generated by this system.

17.2 Non-Business Days

If the date for a payment of principal or interest contemplated herein is not a Business Day, such payment shall be made on the next following Business Day.

17.3 Invalidity of any Provision Hereof

Any determination by a court that any provision hereof is void or unenforceable shall not affect the remaining provisions hereof or the validity or enforceability thereof.

17.4 Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of each Loan Party and its successors, beneficiaries, executors and permitted assigns, as well as HCC and its successors and assigns.

17.5 Joint and Several Liability

The Obligations owing to HCC by each Loan Party under this Agreement and the other Loan Documents shall be jointly and severally binding on each Loan Party. HCC, without exonerating in whole or in part any Loan Party, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting, registering, renewing or realizing upon securities of, or may accept compositions from and may otherwise deal with any Loan Party and all other persons and securities as HCC may see fit without affecting the liability of any Loan Party under this Agreement or the other Loan Documents. Without in any manner limiting the generality of the foregoing, each Loan Party agrees that HCC may, from time to time, consent to any action or non-action of any Loan Party which, in the absence of such consent, violates any provision of the Loan Documents, with or without consideration on such terms and conditions as may be acceptable to HCC, without in any manner affecting or impairing the liability of any Loan Party. HCC shall be entitled to receive payment from or performance by any Loan Party of the Obligations without first being obligated to exhaust its recourse against the other Loan Parties or any other person or the securities it may hold.

17.6 Final Agreement and Interpretation

Once accepted and signed by the Parties, this Agreement and the Proposal shall constitute the final agreements between the Parties relating to the subject matter hereof,

unless subsequently amended in writing by the Parties, and shall supersede any prior oral or written agreement between the Parties with respect to the subject matter hereof. In the event of any conflict between this Agreement and the Proposal, the provisions of this Agreement shall prevail to the extent necessary to remove such conflict; provided, however, a conflict or inconsistency shall not occur if one such agreement provides for a matter and the other does not.

17.7 Amendment

Any amendment of this Agreement or any waiver of any rights hereunder shall not take effect unless it is explicit and set forth in a written instrument signed by the Parties.

17.8 Other Documents

The Borrower shall do such acts and execute such documents as HCC deems necessary or advisable to give full effect to the terms, conditions, covenants and guarantees herein.

17.9 Counterparts

This Agreement may be signed in any number of counterparts, each of which shall be deemed to constitute an original and all of which such counterparts shall constitute one and the same document.

17.10 Signatures

The persons listed in Schedule D hereto are representatives duly authorized to execute, for and on behalf of each Corporate Loan Party, as applicable, any document in connection with this Agreement, including any borrowing base certificate and certificate of borrowing value, and the signatures appearing thereon are their true signatures.

17.11 Notice

- 17.11.1 Unless otherwise indicated, any notice sent by a Party in connection with this Agreement shall be in writing and sent by registered mail or fax to the applicable addresses indicated in the recitals.
- 17.11.2 Notice shall be deemed to have been received by the addressee when it is delivered, if it is delivered, or on the fifth (5th) Business Day following its mailing, or if it is sent by registered mail, or, if transmitted by facsimile, on the Business Day following the day of transmission.
- 17.11.3 In the event postal or facsimile services are disrupted by a strike, slowdown, superior force or other cause, the party giving the notice shall use an uninterrupted method of delivery or shall cause the notice to be delivered in such a manner as to ensure that the notice can be received by the addressee.

17.12 Interpretation

When the context so requires, any word in the singular shall include the plural and *vice versa*, and any word in the masculine gender shall also include the feminine.

17.13 Confidentiality

Each Loan Party agrees to keep the terms of this Agreement confidential. The Loan Parties shall only disclose the contents hereof with the prior written consent of HCC.

17.14 Language

The parties hereby confirm their express wish that this Agreement and all documents and agreements directly or indirectly related thereto, be drawn up in the English language. *Les parties reconnaissent leur volonté expresse que la présente convention de crédit rotatif ainsi que tous les documents qui s'y rattachent directement ou indirectement, soient rédigés en langue anglaise.*

18. **GOVERNING LAW**

This Agreement shall be governed and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. Each of the signatories to this Agreement irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of British Columbia for all matters arising out of or in connection with this Agreement and acknowledges further that nothing in this section shall affect the right of the Bank to bring any action or proceeding in regard to this Agreement or the other Loan Documents in the courts of jurisdictions other than British Columbia.

19. **EVIDENCE OF INDEBTEDNESS**

The Borrowers acknowledge that the actual recording of the amount of any Advance or repayment thereof under the Facility and interest, fees and other amounts due in connection with the Facilities, in the accounts of the Borrowers maintained by HCC, shall constitute *prima facie* evidence of the Borrowers' indebtedness and liability from time to time under this Agreement; provided that the obligation of the Borrowers or Guarantors to pay or repay any amounts in accordance with the terms and conditions of this Agreement shall not be effected by the failure of HCC to make such recording.

HCC may, but shall not be obliged to, request the Borrowers execute and deliver from time to time such promissory notes as may be required in order to evidence their Obligations in connection with the Facility.

[execution pages follows]

IN WITNESS WHEREOF, THE PARTIES HAVE SIGNED THIS AGREEMENT ON THE DATE AND AT THE PLACE FIRST HEREINABOVE MENTIONED.

HITACHI CAPITAL CANADA CORP.

Per: _____
Philippe Frenette, Director of Specialty
Financing

THE BORROWERS

VIC VAN ISLE CONSTRUCTION LTD.

Per: 
_____ **Kenneth Lewis Hendrickson,**
President

VVI CONSTRUCTION LTD.

Per: 
_____ **Kenneth Lewis Hendrickson,**
President

LORTAP ENTERPRISES LTD.

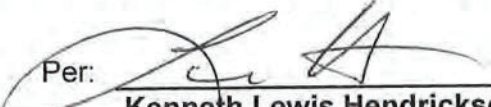
Per: 
_____ **Kenneth Lewis Hendrickson,**
President

GLACIER BUILDING SUPPLIES LTD.

Per: 
_____ **Kenneth Lewis Hendrickson,**
President

THE GUARANTORS

FIVE STAR MANAGEMENT LTD.

Per: 

Kenneth Lewis Hendrickson,
President

GLACIER BUILDING SUPPLIES (1986) LTD.

Per: 

Kenneth Lewis Hendrickson,
President

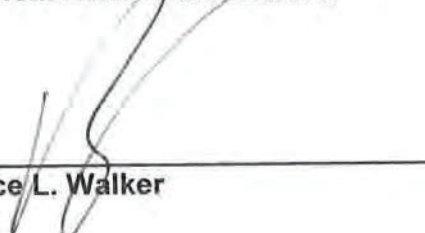
WOOD-NOR CONSTRUCTION LTD.

Per: 

Kenneth Lewis Hendrickson,
President



Kenneth Lewis Hendrickson



Bruce L. Walker



James Gordon Hampton

SCHEDULE "A"

THE LANDS

Registered owner: Glacier Building Supplies (1986) Ltd.

Parcel Identifier: 012-987-409

Legal Description: Lot 5 Section 26 Township 23 Range 2 West of the 6th Median Kootenay District Plan 10022

Registered owner: Glacier Building Supplies (1986) Ltd.

Parcel Identifier: 009-514-325

Legal Description: Lot 2 Section 26 Township 23 Range 2 West of the 6th Meridian Kootenay District Plan 10022

Registered owner: Glacier Building Supplies (1986) Ltd.

Parcel Identifier: 016-287-151

Legal Description: Parcel A (See XD26998) Township 23 Range 2 West of the 6th Meridian Kootenay District Plan 10022

SCHEDULE "B"

HCC ACCOUNT/WIRE INFORMATION

(see attached)

**BANQUE
NATIONALE****NATIONAL
BANK****INSTRUCTIONS POUR : PAIEMENT À RECEVOIR
INSTRUCTIONS FOR: PAYMENT RECEIVABLE**

Centre de Paiements / *Payment Center*
 600 de la Gauchetière Ouest
 5^e étage
 Montréal (Québec) H3B 4L3
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SWIFT MT103**BANQUE NATIONALE DU CANADA / NATIONAL BANK OF CANADA**Montréal, Canada / *Montreal, Canada*Code RIC / *BIC code* : BNDC CA MM INT**(57) PAIEMENT À / PAYMENT TO:**Transit : CC0006 14171Adresse de la succursale :
*Branch address:***BANQUE NATIONALE DU CANADA / NATIONAL BANK OF CANADA**121, RUE KING WESTN° civique, rue, app. / *No., street, apt.*TORONTO M5H 3T9Ville / *City*ONTARIO

Province

CANADAPays / *Country***(59) BÉNÉFICIAIRE / IN FAVOUR OF :**N° du compte :
Account no.: 1098120Prénom et nom du bénéficiaire :
First and last name of beneficiary: HITACHI CAPITAL CANADA CORPAdresse du bénéficiaire :
Address of beneficiary: 3390, South Service Road, ext. 301N° civique, rue, app. / *No., street, apt.*BURLINGTON L7N 3J5Ville / *City*ONTARIO

Province

CANADAPays / *Country***(56) BANQUE INTERMÉDIAIRE (facultatif)** / INTERMEDIARY BANK (optional)** :**Banque / *Bank* : JP MORGAN CHASE BANKVille / *City* : 270, Park ave, New-York, N-Y 10017Pays / *Country* : USACode SWIFT / *SWIFT code* : CHASUS33**(70) RAISON DU PAIEMENT / REASON FOR PAYMENT :**(Ex. : N° de facture) :
(*E.g. invoice no.:*)

**Veuillez vous référer à la liste des correspondants afin de choisir la banque appropriée dans le pays concerné.

***Consult the list of correspondents to select the appropriate bank in the relevant country.*

SCHEDULE "C"

ACCOUNTS OF THE CORPORATE LOAN PARTIES

Deposit Accounts (collectively, the "**Deposit Accounts**"):

- Glacier Building Supplies Ltd. (Revelstoke – Rona) – account no. 0720-1988-571
- Glacier Building Supplies Ltd. (Salmon Arm – Rona) – account no. 0720-1988-563
- Lortap Enterprises Ltd. – account no. 0720-1988-555
- Vic Van Isle Construction Ltd. – account no. 0720-1988-547
- VVI Construction Ltd. – account no. 0720-1988-539

Chequing Accounts (collectively, the "**Chequing Accounts**"):

- Wood-Nor Construction Ltd. – account no. 0720-1988-520
- Glacier Building Supplies (1986) Ltd. – account no. 0720-1988-512
- Glacier Building Supplies Ltd. (Revelstoke – Rona) – account no. 0720-1988-504
- Glacier Building Supplies Ltd. (Salmon Arm – Rona) – account no. 0720-1988-491
- Lortap Enterprises Ltd. – account no. 0720-1988-483
- Vic Van Isle Construction Ltd. – account no. 0720-1988-475
- VVI Construction Ltd. – account no. 0720-1988-467

SCHEDULE "D"

AUTHORIZED REPRESENTATIVES OF THE CORPORATE LOAN PARTIES

Vic Van Isle Construction Ltd.

- Kenneth Lewis Hendrickson

VVI Construction Ltd.

- Kenneth Lewis Hendrickson

Lortap Enterprises Ltd.

- Kenneth Lewis Hendrickson

Glacier Building Supplies Ltd.

- Kenneth Lewis Hendrickson

Five Star Management Ltd.

- Kenneth Lewis Hendrickson

Glacier Building Supplies (1986) Ltd.

- Kenneth Lewis Hendrickson

Wood-Nor Construction Ltd.

- Kenneth Lewis Hendrickson

SCHEDULE "E"**LIST OF EQUIPMENT**

Unit	Year	Make	Model	Description	Serial Number
928	2005	Mantis	6010	30 Ton Telescopic Boom Crawler Crane	60-154
2021	2010	Caterpillar	320DL-E	Excavator	CAT0320DVDFB00535
5009	2007	Hitachi	ZX200LC-3	Excavator	HCM1U100A00219369
5008	2014	John Deere	624K	Wheel Loader	1DW624KTVEF661885
5020	1999	John Deere	624H	Wheel Loader	DWG24IIX573934
792	2005	John Deere	544J	Wheel Loader	DW544JP599132
718	2000	Komatsu	WA250-3L	Wheel Loader	A70556
5018	2019	Caterpillar	262D	Skidsteer	CAT0262DTDTB09575
819	2005	Caterpillar	262B	Skidsteer	CAT0262BPPDT01963
728	2003	Caterpillar	252	Skidsteer	CAT00252HFDG01573
5004	2012	Caterpillar	TL1255	4x4 Telehandler	TBN01026
5012	2012	JLG	10054	4x4 Telehandler	0160046679
817	2008	Gradall	544D-10	4x4 Telehandler	0160032663
811	2008	Gradall	544D-10	4x4 Telehandler	0160032696
954	2007	Gradall	544D-10	4x4 Telehandler	0160031035
723	2003	Gradall	544D-10	4x4 Telehandler	0160002306
793	2001	Genie	S125	4x4 Boom Lift	S125-347
998	2006	Genie	S-85	4x4 Boom Lift	S8006-4942
738	2004	Genie	S-85	4x4 Boom Lift	S8004-3760
5003	2007	JLG	600S	4x4 Boom Lift	0300105543
5002	2013	Genie	Z45/25J	Articulated 4x4 Boom Lift	Z452513A-47333
5001	2011	Genie	Z45/25J	Articulated 4x4 Boom Lift	Z452511A-40109
953	2007	Skyjack	SJ7135	Rough Terrain 4x4 Scissor Lift	343730
GBS006	2018	Caterpillar	GP25N	Forklift	AT35A05918
1055	2018	Caterpillar	GP25N	Forklift	AT35A06004
1054	2008	Caterpillar	GP45K-LP2	Forklift	AT29C90431
1030	2008	Toyota	8FGU30	Forklift	13483
1035	2002	Toyota	7FGU35	Forklift	60439
GBS007	2014	Mitsubishi	FG50CN1	Forklift	AF29D90103
Unit	Year	Make	Model	Description	Serial Number
1056	2014	Mitsubishi	FG50CN1	Forklift	AF29D90117
GBS002	2009	Peterbilt	387	Tandem Tractor	1XP7D49X29D784745

704	1988	Western Star	4900	Tandem Boom Truck	2WLPDCCH8JK920218
1003	2008	Kenworth	T800	Tandem Flatdeck Picker Truck	1NKDL40X88J935347
1002	2006	Peterbilt	335	Tandem Flatdeck Picker Truck	2NPLLZ0X46M633577
770	2006	Sterling	L9500	Tandem Flat Deck Truck	2FZHAZCV36AV32550
929	2013	Hino	338	S/A Van Truck	2AYNF8JT8D3S13278
1008	2006	Kenworth	T300	S/A Van Truck	2NKMHZ7H66M988308
906	2012	International	Terrastar	S/A Flat Deck Truck	1HTJSSKKXCH614247
5025	2020	Ford	F350 Platinum	4x4 Crewcab Pickup Truck	1FT8W3BT6LEC15089
2044	2019	Ford	F350 XLT	4x4 Crewcab Pickup Truck	1FT8W3BT8KEF86785
852	2012	Ford	F350 Lariat	4x4 Crewcab Pickup Truck	1FT8W3BT1CEB56100
824	2008	Ford	F350 XLT	4x4 Extcab Pickup Truck	1FTWX31R38EA92305
992	2015	Ford	F250 XLT	4x4 Crewcab Pickup Truck	1FT7W2B61FEB97721
993	2015	Ford	F250 XLT	4x4 Crewcab Pickup Truck	1FT7W2B65FEB84566
933	2014	Ford	F250 XLT	4x4 Crewcab Pickup Truck	1FT7W2B68EEA36779
973	2011	Ford	F250 XL	4x4 Crewcab Pickup Truck	1FT8W3B63BEB34544
916	2008	Ford	F250 XLT	4x4 Regcab Pickup Truck	1FTNF21538ED62400
951	2013	Chevrolet	Express	AWD Van	1GNSHBF47D1147852
GBS003	2016	Lode King		Tridem Step Deck Trailer	2LDS5337GE061689
5022	2019	Load Trail	16'	Tridem Dump Trailer	4ZEDT1632K1178887
5005	2012	Wacker-Neuson	E3000ES	Portable Hydronic Surface Heater	20118169
840	2008	Terex	T120P	Tandem Portable 91kW Generator	T12008-000202
979	2013	Wacker-Neuson	G70	Portable 58kW Generator	20149363
800	2005	Sunrise	FabMaster IW-88SD	Ironworker	359304
747		Britco	24x40	Double Wide Portable Office	NVSN
2034	2001	Power Curbers	5700B 02	Crawler Concrete Curb Machine	0120291

2005		Topcon	HiPer V	Dual-Frequency GPS Receiver	1122-14879
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Unit	Year	Make	Model	Description	Serial Number
L102	2016	SCM	Stefani MD AM	CNC Edgebender	AH/006381
L104	2016	Morbidelli	Author M400 Cell	CNC Machining Center	AA2/003780
L103	2004	Morbidelli	Author 430S	CNC Machining Center	AL/007336
L101		Holzher	6210 Cut 85	CNC Panel Saw	425/0-507 5004192
L105		Accu-Systems	HPJ4	CNC Dowel Machine	NVSN
L106	2017	Gannomat	Index 471L130	CNC Dowel Machine	770,731
L107	2006	Hofer	Koptronik	Case Clamp	998
L108	2018	Gannomat	Concept 70 Eco	Case Clamp	711.823
	2013	SCM	Olimpic K230	Edgebender	AB217085
L207	2010	CaptiveAire	A5-D.2000-95	Make Up Air System	NVSN
L208	2016	Nederman	NFP-S1000	Dust Collector	NVSN
L209	2016	Nederman	NFP-S1000	Dust Collector	NVSN
L210				Dust Collector	NVSN
L402	1983	Weinig	U 17 A	Moulder	1383-2892
L404	2004	DMC	Technosand K TCK 1350 M3	Automatic Belt Sander	SA/005088
L407	2001	Cantek	HB-900HA	Band Resaw	11229
	2014	Cantek	CANJDT75	Automatic Dovetailer	1405054
907	2006	Doosan	G25E	Forklift	E-398343
L116	1999	Italpresse	Ideal	Cold Press	NVSN

SCHEDULE "F"

FORM OF BORROWING BASE CERTIFICATE

(see attached)

Amendment to the Credit Agreement dated March 18, 2021

ACKNOWLEDGEMENT AND CONFIRMATION

TO: Hitachi Capital Canada Corp. (“HCC”)

RE: Loan agreement dated as of August 21, 2020 Vic Van Isle Construction Ltd., VVI Construction Ltd., Lortap Enterprises Ltd., Glacier Building Supplies Ltd., as borrowers (collectively, the “**Borrowers**”), Five Star Management Ltd., Glacier Building Supplies (1986) Ltd., Wood-Nor Construction Ltd., Kenneth Lewis Hendrickson, Bruce Walker and Jamie Gordon Hampton, as guarantors, and HCC, as lender (the “**Existing Loan Agreement**”)

AND RE: Amendment to the loan agreement dated as of March 18, 2021 (the “**First Amendment**” and the Existing Credit Agreement as amended by the First Amendment, the “**Loan Agreement**”) between the Borrowers, the Guarantors and HCC

DATE: March 18, 2021

WHEREAS HCC made available a certain credit facility to the Borrowers pursuant to the Existing Loan Agreement;

AND WHEREAS the Borrowers, the Guarantors and HCC have agreed to enter into the First Amendment to, among other things, amend the Existing Loan Agreement in accordance with the terms and conditions thereof.

NOW THEREFORE THIS ACKNOWLEDGEMENT AND CONFIRMATION WITNESSES THAT for good and valuable consideration (the receipt and sufficiency of which are hereby irrevocably acknowledged), each of the undersigned agrees as follows:

1. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Loan Agreement.
2. Each of the undersigned hereby acknowledges, confirms and agrees that the Security (including, without limitation, all guarantees provided by the undersigned in favour of HCC):
 - (i) continues in full force and effect and has not been amended, modified, terminated, discharged or released;
 - (ii) constitutes legal, valid and binding obligations of the undersigned enforceable against the undersigned in accordance with its terms;
 - (iii) secures payment and performance of the Obligations;
 - (iv) stands as a valid and enforceable guarantee of the Obligations; and
 - (v) confers rights and remedies of HCC thereunder which may be exercised by HCC against any one or more of the undersigned at the option of HCC in accordance with the terms thereof.
3. This Acknowledgement and Confirmation is governed by and will be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

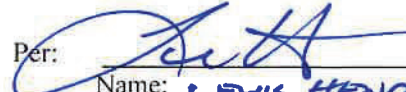
- 2 -


4. The provisions of this Acknowledgement and Confirmation shall be binding upon each of the undersigned and their respective successors, assigns, heirs and executors and shall enure to the benefit of HCC and its successors and assigns.

[SIGNATURE PAGE FOLLOWS]

DATED as of the date first written above.


VIC VAN ISLE CONSTRUCTION LTD.

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT


Per: 
Name: JAMES HAMPTON
Title: DIRECTOR


VVI CONSTRUCTION LTD.

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT


Per: 
Name: JAMES HAMPTON
Title: DIRECTOR


LORTAP ENTERPRISES LTD.

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT

Per: 
Name: JAMES HAMPTON
Title: DIRECTOR


GLACIER BUILDING SUPPLIES LTD.

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT

Per: 
Name: JAMES HAMPTON
Title: DIRECTOR


[SIGNATURE PAGE TO ACKNOWLEDGEMENT AND CONFIRMATION]


FIVE STAR MANAGEMENT LTD.

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT


Per: 
Name: ~~DAVID~~ JAMES HAMPTON
Title: DIRECTOR


GLACIER BUILDING SUPPLIES (1986) LTD.

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT

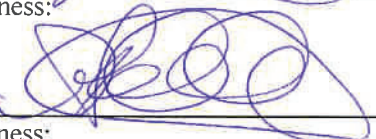
Per: 
Name: JAMES HAMPTON
Title: DIRECTOR

WOOD-NOR CONSTRUCTION LTD.

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT

Per: 
Name: JAMES HAMPTON
Title: DIRECTOR


Witness: _____


Witness: _____


Witness: _____


KENNETH LEWIS HENDRICKSON

BRUCE L. WALKER


JAMES GORDON HAMPTON

AMENDING AGREEMENT TO THE LOAN AGREEMENT

THIS AMENDING AGREEMENT dated with effect the 18th day of March, 2021 (the “**Amending Agreement**”), is entered into among Vic Van Isle Construction Ltd. (“**VVI**”), VVI Construction Ltd. (“**Construction**”), Lortap Enterprises Ltd. (“**Lortap**”) and Glacier Building Supplies Ltd. (“**Glacier**”) and, collectively with VVI, Construction and Lortap, the “**Borrowers**”), as borrowers, Five Star Management Ltd. (“**Five Star**”), Glacier Building Supplies (1986) Ltd. (“**Glacier 1986**”), Wood-Nor Construction Ltd. (“**Wood-Nor**”), Kenneth Lewis Hendrickson (“**Hendrickson**”), Bruce Walker (“**Walker**”) and Jamie Gordon Hampton (“**Hampton**”) and, collectively with Five Star, Glacier 1986, Wood-Nor, Hendrickson and Walker, the “**Guarantors**”), as guarantors, and Hitachi Capital Canada Corp., as lender (“**HCC**”) and, collectively with VVI, Construction, Lortap, Glacier, Five Star, Glacier 1986, Wood-Nor, Hendrickson, Walker and Hampton, the “**Parties**” and each, a “**Party**”).

RECITALS:

WHEREAS the Borrowers, as borrowers, the Guarantors, as guarantors, and HCC, as lender, entered into a loan agreement dated August 21, 2020 (the “**Loan Agreement**”), pursuant to which HCC agreed, *inter alia*, to provide in favour of the Borrowers a demand revolving credit facility in accordance with the terms and conditions set forth in the Loan Agreement;

AND WHEREAS the Borrowers have requested that HCC make certain amendments to the Loan Agreement.

NOW, THEREFORE, THIS AMENDING AGREEMENT WITNESSES THAT in consideration of the respective covenants, representations and warranties of each Party contained herein and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties hereto covenant, declare, and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

All capitalized terms not defined herein shall have the meanings assigned to them under the Loan Agreement.

1.2 Headings

The division of this Amending Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Amending Agreement.

1.3 Expanded Meanings

In this Amending Agreement, unless there is something in the subject matter or context inconsistent therewith:

- (a) the singular shall include the plural and the plural shall include the singular;

- (b) a reference to Party or to the Parties, individually or collectively, shall include the successors and permitted assigns of that Party, individually or collectively, as the case may be; and
- (c) words importing a specific gender shall include the other gender, and the rest of the sentence shall be construed as if the necessary grammatical and terminological changes had been made.

ARTICLE 2 AMENDMENTS

2.1 Amendments

Subject to the terms and conditions provided for herein, on and as of the Amendment Effective Date, the Loan Agreement is hereby amended as follows:

- (a) The following is added as Section 2.1.1 to the Loan Agreement:

“Demand Non-Revolving Reducing Credit Facility

Subject to the terms and conditions hereof, HCC agrees to make available to the Borrowers a demand non-revolving reducing credit facility, available up to a principal amount of TWO HUNDRED FIFTY THOUSAND (\$250,000.00) DOLLARS (the “**Over Advance Facility**”) in a single Advance.”

- (b) The following shall be added as Section 2.2.1 to the Loan Agreement:

“Use of Funds and Non-Revolving Financing regarding the Over Advance Facility

- (a) The Over Advance Facility shall only be used to pay and satisfy certain obligations owing by certain Loan Parties to Rona Inc.

- (b) The Over Advance Facility is a non-revolving facility and the repayments made under the Over Advance Facility may not be reborrowed.”

- (c) The following shall be added as Section 2.4.1 to the Loan Agreement:

“Advance Request under the Over Advance Facility

The Borrowers shall make an Advance request in writing, which Advance shall be issued by HCC within two (2) Business Days following such written request by the Borrowers. The Advance under the Over Advance Facility is subject to written confirmation from HCC that all conditions precedent required under this Agreement have been met, including, without limitation, compliance with Section 6.”

- (d) The following shall be added as Section 4.1.1 of the Loan Agreement:

“Repayment of the Over Advance Facility

The Indebtedness owing by the Borrowers under the Over Advance Facility shall become due and payable on demand by HCC, and the Borrowers shall pay and satisfy all Indebtedness owing under the Over Advance Facility on demand by HCC.”

- (e) In Section 4.2, the references to "Facility 1" shall be deleted and replaced with "Facility".
- (f) The following shall be added as Section 4.2.1 of the Loan Agreement:

"Mandatory Prepayments under the Over Advance Facility

Without limiting HCC's right to terminate the Over Advance Facility and demand payment at any time, the Borrowers shall also prepay the Advance owing under the Over Advance Facility as follows:

- (a) any sale or issuance of debt, shares or any other form of equity;
- (b) any sale or disposition of assets, including, for greater certainty, the sale of any inventory;
- (c) insurance and condemnation proceeds,

with exceptions to be determined in the sole discretion of HCC.

The payment required under Section 4.2 and Section 4.2.1 shall firstly be applied to the Over Advance Facility and shall be used to firstly repay unpaid accrued interest and fees, if any, and then to permanently repay the outstanding principal amount owing under the Over Advance Facility until repaid in full. After the Over Advance Facility is repaid in full, the payments required under Section 4.2 and Section 4.2.1 shall be applied to the Facility.

Scheduled Repayments under the Over Advance Facility

Prior to demand by HCC of payment and satisfaction of all Indebtedness owing under the Over Advance Facility, the Borrowers agree to repay the outstanding principal amount owing under the Over Advance Facility as follows:

- (a) a principal repayment in the amount of \$20,000 on the day that is 30 days after the date of the Advance under the Over Advance Facility (provided that if such repayment day is not a Business Day, then such repayment shall be made on the next following Business Day);
 - (b) a principal repayment in the amount of \$40,000 on the day that is 60 days after the date of the Advance under the Over Advance Facility (provided that if such repayment day is not a Business Day, then such repayment shall be made on the next following Business Day);
 - (c) a principal repayment in the amount of \$90,000 on the day that is 90 days after the date of the Advance under the Over Advance Facility (provided that if such repayment day is not a Business Day, then such repayment shall be made on the next following Business Day); and
 - (d) a principal repayment in the amount of \$100,000 on the day that is 120 days after the date of the Advance under the Over Advance Facility (provided that if such repayment day is not a Business Day, then such repayment shall be made on the next following Business Day)."
- (g) The following shall be added as Section 6.1.2:

"Conditions Precedent to the Advance under the Over Advance Facility

The obligation of HCC to make the Advance under the Over Advance Facility is subject to and conditional upon the satisfaction of the following conditions precedent, each to the entire satisfaction of HCC:

- (a) satisfaction of the conditions precedent listed in Section 6.1.1;
- (b) confirmation to the satisfaction of HCC that all indebtedness, liabilities and obligations owing by any Loan Party to Rona Inc. shall be fully satisfied;
- (c) receipt by HCC of all documentation, including, without limitation, any releases of claims, confirming the final and full satisfaction of all indebtedness, liabilities and obligations owing by any Loan Party to Rona Inc.; and
- (d) HCC shall have been provided with such other documents and information as HCC may reasonably request.”

ARTICLE 3

CONDITIONS PRECEDENT TO THE EFFECTIVENESS OF THIS AMENDING AGREEMENT

3.1 Conditions Precedent

The effectiveness of this Amending Agreement (including the amendments and consents contained herein) shall be conditional upon the following conditions precedent being fulfilled to the satisfaction of HCC, or waiver by HCC, in its sole discretion (the date of such satisfaction (or waiver) is referred to herein as the “**Amendment Effective Date**”):

- (a) the execution and delivery by each of the Parties of this Amending Agreement;
- (b) the execution and delivery by the Loan Parties of a confirmation and acknowledgement confirming, *inter alia*, the continued enforceability of the Security and the Loan Documents;
- (c) receipt by HCC of executed current personal guarantees from each Individual Guarantor;
- (d) receipt by HCC of any required fee in connection with this Amending Agreement (the “**Transaction Fee**”);
- (e) in addition to Transaction Fee, HCC shall have received, or arrangements satisfactory to HCC shall have been made to ensure that it will receive, all other fees and expenses due under this Amending Agreement, the Loan Agreement or any other Loan Document, or as otherwise agreed to with the Loan Parties, including, without limitation, all legal and other professional fees incurred by or on behalf of HCC outstanding as of the date hereof; and
- (f) HCC shall have received such additional evidence, documents or undertakings as HCC shall reasonably request and be satisfied as to the taking of all proceedings in connection therewith in compliance with the conditions set forth in this Amending Agreement,

provided that, all documents delivered pursuant to this Section 3.1 will be in full force and effect, and in each case HCC shall be satisfied with the terms thereof in its sole discretion.

The foregoing conditions precedent are inserted for the sole benefit of HCC and may be waived in writing by HCC, in its sole discretion, in whole or in part and with or without terms and conditions.

**ARTICLE 4
EFFECTS OF AMENDMENTS**

4.1 Effects of Amendments

- (a) Except as expressly set forth herein, the amendments contained in this Amending Agreement shall not limit, impair, constitute a waiver of or otherwise affect the rights and remedies of HCC under the Loan Agreement or any other Loan Document, and shall not (and shall not be deemed to) alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements of the Borrowers and each other Loan Party contained in the Loan Agreement or any other Loan Document, all of which are ratified and affirmed by each Loan Party in all respects and shall continue in full force and effect. This Amending Agreement shall not constitute a novation of the Loan Agreement or any other Loan Document.
- (b) From and after the Amendment Effective Date, (i) each reference in the Loan Agreement to “this Loan Agreement”, “hereunder”, “hereof”, “herein”, or words of like import, and each reference to the “Loan Agreement” in any other Loan Document shall in each case be deemed a reference to the Loan Agreement as amended by this Amending Agreement and (ii) all references to the Loan Agreement and each of the other Loan Documents shall be deemed to be references to the Loan Agreement, as modified hereby. This Amending Agreement shall constitute a “Loan Document” for all purposes of the Loan Agreement and the other Loan Documents.

**ARTICLE 5
REPRESENTATIONS AND WARRANTIES**

5.1 Representations and Warranties

In order to induce HCC to enter into this Amending Agreement, each of the Loan Parties represents and warrants to HCC as follows, which representations and warranties shall survive the execution and delivery hereof:

- (a) the representations and warranties set forth in the Loan Agreement and the other Loan Documents are true and correct in all material respects as of the date hereof as if made on and as of the date hereof except for those representations and warranties which speak specifically to an earlier date;
- (b) all necessary corporate action has been taken to authorize the execution, delivery and performance of this Amending Agreement by such Loan Party and such Loan Party has duly executed and delivered this Amending Agreement;
- (c) this Amending Agreement is a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party by HCC in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors’ rights generally and by principles of equity); and
- (d) no default or Event of Default has occurred and is continuing on and as of the date hereof or will occur after giving effect to this Amending Agreement.

**ARTICLE 6
CONTINUANCE OF LOAN AGREEMENT AND SECURITY**

6.1 Loan Agreement and Security

The Loan Agreement and the Loan Documents, as changed, altered, amended or modified by this Amending Agreement, shall be and continue in full force and effect and are hereby confirmed and the rights and obligations of all parties thereunder shall not be affected or prejudiced in any manner except as specifically provided for herein or therein. Each Loan Party hereby acknowledges and confirms that each of the Security (including, without limitation, all guarantees and security interests granted by such Loan Party thereunder) continues in full force and effect and constitutes legal, valid and binding obligations of such Loan Party in accordance with its terms. The amendments herein are effective to amend the Loan Agreement as of the Amendment Effective Date as set forth herein and shall not have the effect of waiving compliance with any provision of the Loan Agreement prior to the date hereof nor amending or waiving any representation made prior to the date hereof.

**ARTICLE 7
GENERAL PROVISIONS**

7.1 Applicable Law

This Amending Agreement shall be interpreted and construed in accordance with the laws in force from time to time in the Province of British Columbia and the laws of Canada applicable therein. This Amending Agreement shall be deemed to have been executed in the Province of British Columbia and the Parties attorn to the jurisdiction of the courts of the Province of British Columbia.

7.2 Entire Agreement

This Amending Agreement, the Loan Agreement and the other Loan Documents constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the Parties with respect to the subject matter hereof.

7.3 Time of Essence

Time shall be of the essence of this Amending Agreement and any other agreement, document or instrument delivered pursuant hereto.

7.1 Amendments

No modification, variation, amendment or termination by mutual consent of this Amending Agreement, and no waiver of the performance of any of the responsibilities of the Parties shall be effected unless agreed by the Parties in writing, excepting that the foregoing shall not apply where an express provision of this Amending Agreement permits such modification, variation, amendment, termination or waiver pursuant to any other means, and in such instance, the said provision shall apply.

7.2 Severability

Each of the covenants, provisions, Articles, Sections and other subdivisions hereof is severable from every other covenant, provision, Article, Section and subdivision, and the invalidity or unenforceability of any one or more covenants, provisions, Articles, Sections or subdivisions of this Agreement shall not affect the validity or enforceability of the remaining covenants, provisions, Articles, Sections and subdivisions hereof.

7.3 Further Assurances

The Parties will from time to time on and after the date this Amending Agreement has been executed by the Parties, execute and deliver all such other additional instruments, notices and other documents and shall do all such other acts and things as may reasonably be necessary to assure the carrying out of the intent and purpose of the terms of this Amending Agreement.

7.4 Successors and Assigns

- (a) This Amending Agreement shall be binding on each Loan Party and its successors and permitted assigns and shall enure to the benefit of HCC and its successors and assigns. Nothing herein, express or implied, is intended to confer upon any person, other than the Parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Amending Agreement.
- (b) This Amending Agreement shall be assignable by HCC free of any set-off, counter-claim or equities between each Loan Party and HCC; and no Loan Party shall assert against an assignee of HCC any claim or defence that such Loan Party has against HCC. This Amending Agreement may not be assigned by any Loan Party without the prior written consent of HCC.

7.5 Notices

Any notice or other written communication required or permitted to be given hereunder shall be delivered in accordance with the Loan Agreement.

7.6 Counterparts

This Amending Agreement 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 of this Amending Agreement by facsimile or other electronic means shall be effective as delivery of an original counterpart of this Amending Agreement. The words "execution", "signed", "signature", and words of like import in this Amending Agreement shall be deemed to include electronic signature or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law.


[Remainder of page intentionally left blank. Execution page to follow.]


IN WITNESS WHEREOF the Parties have executed this Amending Agreement by their proper officers in that behalf as of the date and year first mentioned above.

HITACHI CAPITAL CANADA CORP.


Per: _____
Name: Philippe Frenette
Title: Vice President, Factoring and Asset-Based Lending

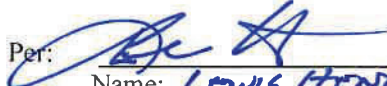
VIC VAN ISLE CONSTRUCTION LTD.

Per: 
Name: JAMES HAMPTON
Title: DIRECTOR


Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT


VVI CONSTRUCTION LTD.

Per: 
Name: JAMES HAMPTON
Title: DIRECTOR


Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT

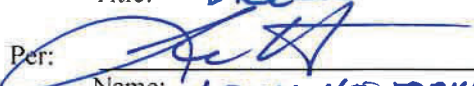
LORTAP ENTERPRISES LTD.

Per: 
Name: JAMES HAMPTON
Title: DIRECTOR

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT

GLACIER BUILDING SUPPLIES LTD.

Per: 
Name: JAMES HAMPTON
Title: DIRECTOR


Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT


FIVE STAR MANAGEMENT LTD.

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT

Per: _____
Name: _____
Title: _____


GLACIER BUILDING SUPPLIES (1986) LTD.

Per: 
Name: JAMES HAMPTON
Title: DIRECTOR

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT

WOOD-NOR CONSTRUCTION LTD.

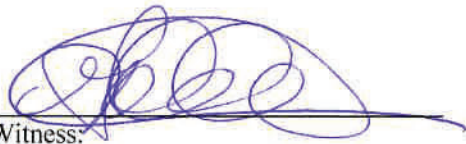
Per: 
Name: JAMES HAMPTON
Title: DIRECTOR

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT


Witness: _____


KENNETH LEWIS HENDRICKSON

Witness: _____



Witness: _____

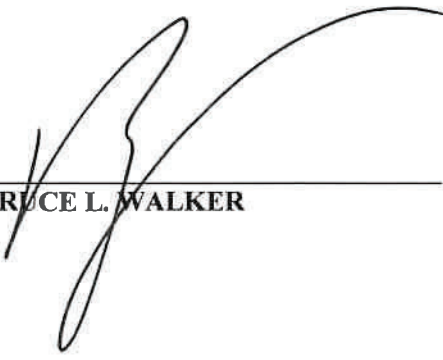
BRUCE L. WALKER



JAMES GORDON HAMPTON



Witness: LINDA TRAN



BRUCE L. WALKER

Witness:

JAMES GORDON HAMPTON

This is Exhibit “D” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928FOA4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



HITACHI CAPITAL CANADA CORP.
 3390, South Service Road, Suite 104
 Burlington (Ontario) L7N 3J5
 Phone: 1-866-241-9021 Fax: 1-866-241-9022

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of the ____ of August, 2020, by FIVE STAR MANAGEMENT LTD. (the "Debtor"), issued in favor of HITACHI CAPITAL CANADA CORP. (hereinafter called "Hitachi").

WHEREAS Hitachi has agreed to extend credit to the Debtor;

AND WHEREAS the Debtor has agreed to grant, as general and continuing security for the payment and performance of all its obligations to Hitachi, the security interest and assignment, mortgage and charge granted herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the Debtor agrees with Hitachi as follows:

ARTICLE ONE - INTERPRETATION

1.01 Interpretation

1. In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) "Agreement" means this agreement and all schedules to this Agreement, in each case as they may be amended or supplemented from time to time, and the terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement as a whole and not to any particular Article, Section or other portion hereof;
- (b) "Collateral" has the meaning attributed thereto in Section 2.01, and any reference to "Collateral" shall be deemed a reference to "Collateral" or any part thereof;
- (c) "Obligations" means all obligations of the Debtor to Hitachi including, without limiting the generality of the foregoing, all debts, liabilities, and indebtedness, present or future, direct or indirect, absolute or contingent, matured or not, whenever and howsoever incurred, in any currency at any time owing by the Debtor to Hitachi or remaining unpaid by the Debtor to Hitachi and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether arising from dealings between Hitachi and the Debtor or from other dealings or proceedings by which Hitachi may be or become in any manner whatsoever a creditor of the Debtor and wherever incurred and whether incurred by the Debtor alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses; and
- (d) the terms "accounts", "chattel paper", "documents of title", "equipment", "inventory", "goods", "instruments", "money", "proceeds" and "securities" whenever used herein shall have the meaning given to those terms in the *Personal Property Security Act* of the relevant jurisdiction determined in Section 7.10, as amended, re-enacted or replaced from time to time.

2. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

3. In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE TWO - GRANT OF SECURITY

2.01 **Security.** As general and continuing security for the payment and performance of the Obligations, the Debtor hereby grants, sells, assigns, conveys, transfers, mortgages, pledges and charges, as and by way of fixed and specific mortgage, pledge and charge to and in favour of Hitachi, and grants to Hitachi a security interest in, the whole of the undertaking of the Debtor and all of its property and assets, real and personal, movable and immovable, tangible and intangible, of every nature and kind whatsoever and wheresoever situate, both present and future, now or at any time and from time to time owned by the Debtor or in which or in respect of which the Debtor has any interest or rights of any kind, including without limitation, accounts, inventory, equipment, chattel paper, instruments, intangibles and documents of title (collectively, the "Collateral").

ARTICLE THREE - GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 **Representations and Warranties.** The Debtor hereby represents and warrants to Hitachi that:

- (a) the Debtor, if a corporation, is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation; the Debtor has the power, corporate or otherwise, to enter into this Agreement; this Agreement has been duly authorized by all necessary action, corporate or otherwise, on the part of the Debtor; this Agreement constitutes a legal and valid agreement binding upon the Debtor and enforceable in accordance with its terms; the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Debtor pursuant to, the articles, by-laws or other constating documents of the Debtor or any agreement, indenture or other instrument to which the Debtor is a party or by which the Debtor or any of its property may be bound or affected;
- (b) all financial information provided by the Debtor to Hitachi is true, correct and complete; all financial statements of the Debtor have been prepared in accordance with Canadian generally accepted accounting principles consistently applied; there has been no material adverse change in the Debtor's financial condition since the date of the most recent financial statements provided to Hitachi;
- (c) except as otherwise provided herein or disclosed in a schedule hereto, all of the Collateral is the sole property of the Debtor free from any liens, charges, security interests, encumbrances or any rights of others which rank prior to or *pari passu* with the security interest, assignment, mortgage and charge granted hereby; and

Initials:

- (d) the Debtor's principal place of business and the location of the office where it keeps its records is that given in Section 7.06 of this Agreement, except as otherwise provided herein or disclosed in any schedule hereto.

3.02 Covenants. The Debtor covenants with Hitachi that:

- (a) it shall ensure that the representations and warranties set forth in Section 3.01 are true and correct at all times;
- (b) it shall maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner;
- (c) it shall not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of Hitachi;
- (d) it shall defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests;
- (e) it shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to Hitachi, when required, the receipts and vouchers establishing such payment;
- (f) it shall furnish its financial statements to Hitachi within 120 days after the close of each fiscal year of the Debtor prepared in accordance with generally accepted accounting principles consistently applied and shall from time to time forthwith at the request of Hitachi furnish to Hitachi in writing all information requested relating to the Collateral, and Hitachi shall be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes Hitachi shall have access to all premises occupied by the Debtor or where the Collateral may be found;
- (g) it shall from time to time forthwith at the request of Hitachi execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by Hitachi to effectively carry out the full intent and meaning of this Agreement or to better evidence and perfect the security interest, assignment, mortgage and charge granted hereby, and the Debtor hereby irrevocably constitutes and appoints Hitachi, or any agent appointed by the court or Hitachi, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever Hitachi or any such agent may consider it to be necessary or expedient;
- (h) it shall not change its name or, if the Debtor is a corporation, shall not amalgamate with any other corporation without first giving notice to Hitachi of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective;
- (i) it shall pay to Hitachi forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all legal, agent's and accounting fees and expenses (on a solicitor and its own client full-indemnity basis)) incurred by or on behalf of Hitachi in connection with the preparation, execution, registration or amendment of this Agreement, the perfection or preservation of the security interest, assignment, mortgage and charge granted hereby and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder; and
- (j) it shall not change its principal place of business or the location of the office where it keeps its records or move any Collateral from the location specified in Section 3.01(d) without the prior written consent of Hitachi.

3.03 The Debtor will keep all equipment forming a part of the Collateral in good working order and condition, reasonable wear and tear excepted, and Hitachi may, whenever it deems it to be necessary, either in person or by agent, inspect any such equipment and make such repairs thereto as it deems are necessary, and the cost of such inspection and repairs shall be payable by the Debtor to Hitachi upon demand.

3.04 If the Collateral should at any time hereafter include securities, instruments, chattel paper and negotiable documents of title, the Debtor will, if requested by Hitachi, immediately deliver possession of such securities, instruments, chattel paper and negotiable documents of title to Hitachi and, if requested by Hitachi, will cause such securities included in the Collateral to be registered in Hitachi's name so that Hitachi may appear of record as the sole owner of such securities. Until the occurrence of an Event of Default, the Debtor shall be entitled to receive all distributions paid in respect of any securities included in the Collateral, shall be entitled to exercise all voting rights with respect to such securities and Hitachi will deliver to the Debtor or to a person designated by the Debtor, upon written request and upon receipt of payment of Hitachi's expenses in connection therewith, directions with respect to such distributions and a proxy vote to such securities. The Debtor waives all right to receive any such distribution and all other rights after the occurrence of an Event of Default. The Debtor agrees that no proxy issued by Hitachi to the Debtor or its order as aforesaid shall be effective from and after the occurrence of an Event of Default, and upon the occurrence of an Event of Default the Debtor shall immediately surrender any such proxy to Hitachi.

ARTICLE FOUR - INSURANCE

4.01 Insurance. The Debtor shall obtain and maintain, at its own expense, insurance against loss or damage to the Collateral including, without limiting the generality of the foregoing, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against, in amounts, in such form and with such insurers as shall be reasonably satisfactory to Hitachi. If any such policies of insurance contain a co-insurance clause, the Debtor shall either cause any such co-insurance clause to be waived or maintain at all times a sufficient amount of insurance to meet the requirements of any such co-insurance clause so as to prevent the Debtor from becoming a co-insurer under the terms of any such policy. All such policies shall name Hitachi as an additional insured and loss payee thereof, as Hitachi's interests may appear, and shall provide that the insurer will give Hitachi at least 10 days written notice of intended cancellation. At Hitachi's request, the Debtor shall furnish Hitachi with a copy of any policy of insurance and certificate of insurance or other evidence satisfactory to Hitachi that such insurance coverage is in effect. The Debtor shall give Hitachi notice of any damage to, or loss of, the Collateral forthwith upon the occurrence of any such damage or loss. Should the Debtor fail to make any payment or perform any other obligation provided in this Section, Hitachi shall have the right, but not the obligation, without notice or demand upon the Debtor and without releasing the Debtor from any obligation hereunder or waiving any rights to enforce this Agreement, to perform any or all of such obligations. The amount of all such payments made and all costs, fees and expenses incurred by Hitachi in performing such obligations shall be immediately due and payable by the Debtor.

ARTICLE FIVE - DEALING WITH COLLATERAL

5.01 Dealing with Collateral by the Debtor.

The Debtor shall not sell, lease or otherwise dispose of the Collateral without the prior written consent.

ARTICLE SIX - DEFAULT AND REMEDIES

6.01 Events of Default

The Debtor shall be in default under this Agreement upon the occurrence of any of the following events (herein referred to as an "Event of Default"):

Initials: 

- (a) the Debtor fails to pay to Hitachi all or any part of the Obligations when due;
- (b) the Debtor fails to observe or perform any covenant or obligation of the Debtor contained in this Agreement (other than a covenant or obligation specifically dealt with elsewhere in this Section 6.01);
- (c) any representation, warranty or statement made by the Debtor herein or in any document or certificate furnished at any time to Hitachi in connection herewith shall prove to be incorrect or misleading when made or furnished;
- (d) the Debtor or any guarantor of the Debtor is in default under any other agreement now existing or hereafter entered into with Hitachi or any assignee of Hitachi whether the Debtor is bound alone or with others;
- (e) the Debtor ceases or threatens to cease to carry on the business currently being carried on or sells or disposes of all or substantially all of its property;
- (f) the Debtor shall be an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or commits or threatens to commit any act of bankruptcy or if a petition in bankruptcy, any proposal, arrangement or reorganization under the *Bankruptcy and Insolvency Act*, *Winding-Up Act* or *Companies' Creditors Arrangement Act* is filed by or against the Debtor or if a receiver or receiver-manager is appointed for the Debtor or a substantial part of the Debtor's property;
- (g) an encumbrancer or any other party takes possession of a substantial part of the Debtor's property or any of the Collateral;
- (h) if the Debtor is a corporation, there is a change in its effective control without Hitachi's prior written consent;
- (i) the Collateral or any part thereof is seized forfeited or confiscated or otherwise attached by anyone pursuant to any legal process or other means;
- (j) Hitachi believes in good faith that the payment of the Obligations or the performance or observation of any covenant herein is impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Debtor or seized or otherwise attached by anyone pursuant to any legal process or otherwise;
- (k) the Debtor dies or becomes mentally incompetent, if an individual, or is dissolved, amalgamated or is wound up if the Debtor is a corporation.

6.02 Remedies

1. Upon the occurrence of any Event of Default and at any time thereafter, Hitachi shall have, in addition to any right or remedy provided by law, the rights and remedies set out below, all of which rights and remedies shall be enforceable successively, concurrently and/or cumulatively and all of which may be exercised by Hitachi directly or through agents or nominees:
 - (a) any or all of the Obligations shall at the option of Hitachi become immediately due and payable or be subject to immediate performance, as the case may be, without further demand or notice, both of which are expressly waived; and the obligations, if any, of Hitachi to make further advances to the Debtor shall cease; and any or all security granted hereby shall, at the option of Hitachi, become immediately enforceable;
 - (b) Hitachi may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to Hitachi at such place or places as may be specified by Hitachi;
 - (c) Hitachi may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
 - (d) Hitachi may sell, lease or otherwise dispose of the Collateral at public auction, by private tender or by private sale either for cash or upon credit upon such terms and conditions as Hitachi may determine and without notice to the Debtor unless required by law; and
 - (e) Hitachi may retain the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law.
2. The Debtor further agrees with Hitachi that:
 - (a) Hitachi shall not be liable or responsible for any failure to seize, collect, realize, sell or obtain payment of the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment of the Collateral or for the purpose of preserving any rights of Hitachi, the Debtor or any other person in respect of the Collateral;
 - (b) Hitachi may grant extensions of time, take, abstain from taking and perfecting and give up security, accept compositions, grant releases and discharges, release any part of the Collateral and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as Hitachi may see fit without prejudice to the liability of the Debtor to Hitachi or Hitachi's rights hereunder;
 - (c) to facilitate the realization of the Collateral, Hitachi may enter upon, occupy and use all or any of the premises owned or occupied by the Debtor and use all or any of the equipment and other personal property of the Debtor for such time as Hitachi requires, free of charge, and Hitachi shall not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
 - (d) Hitachi may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured; and
 - (e) any proceeds of realization of the Collateral may be applied by Hitachi to the payment of reasonable costs, charges and expenses (including, without limiting the generality of the foregoing, legal, agent's and accounting fees and expenses (on a solicitor and its own client full-indemnity basis)) incurred in connection with the exercise of any of the rights, powers and remedies granted under this Agreement and any balance of such proceeds shall be applied by Hitachi to payment of the Obligations in such order as Hitachi may see fit; if there is any surplus remaining, it shall be paid to any person having a claim thereto in priority to the Debtor of whom Hitachi has knowledge and any balance remaining shall be paid to the Debtor; if the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid costs, charges and expenses, the Debtor shall be liable to pay any deficiency to Hitachi forthwith on demand.

ARTICLE SEVEN - GENERAL

- 7.01 **Benefit of the Agreement.** This Agreement shall be binding upon the heirs, executors, administrators, successors and permitted assigns of the Debtor and shall benefit the successors and assigns of Hitachi. If there is more than one Debtor named herein, the term "Debtor" shall mean all and each of them, their obligations under this Agreement shall be joint and several and the Obligations shall include those of all or any one of them. No Debtor shall have any right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations unless and until all of the Obligations have been paid or performed in full.
- 7.02 **Entire Agreement.** This Agreement, including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Debtor and Hitachi with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between Hitachi and the Debtor except as expressly set forth herein.
- 7.03 **No Waiver.** No delay or failure by Hitachi in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.
- 7.04 **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof

Initials : 

shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

7.05 Further Assurance. The Debtor will from time to time, at the request of Hitachi and at the expense of the Debtor, make, do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, things and assurances as Hitachi may deem necessary or desirable to perfect and preserve the security granted hereby and give effect to this Agreement. The Debtor hereby irrevocably appoints Hitachi as its attorney in fact to do all such acts and things, with full power of substitution, and the Debtor agrees to ratify and confirm all such acts of the said attorney lawfully done. The Debtor shall pay all costs for searches and filings in connection with the registration, perfection and continuation of the security granted hereunder.

7.06 Notices. Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, registered mail or by electronic means, addressed to the recipient as follows:

(a) To the Debtor:	96 Cartier Street	(b) To Hitachi:	301-3390 South Service Road
	Revelstoke, BC V0E 2S0		Burlington, Ontario, L7N 3J5
Fax No.:		Fax No:	(905) 631-9388

or such other address, electronic communication number or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours and on the next business day if given after normal business hours on any day. If the party giving any communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication shall not be mailed but shall be given by personal delivery or by electronic communication.

7.07 Modification; Assignment. This Agreement may not be amended or modified in any respect except by written instrument signed by all parties. The rights of Hitachi under this Agreement may be assigned by Hitachi without the prior consent of the Debtor, free of any set-off, counterclaim or equities between the Debtor and Hitachi, and the Debtor shall not assert against any assignee of Hitachi any claim or defense that the Debtor has or may hereafter have against Hitachi. The Debtor may not assign its obligations under this Agreement.

7.08 Additional Continuing Security. This Agreement and the security interest, assignment, mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by Hitachi and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by Hitachi.

7.09 Discharge. The Debtor shall not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by Hitachi.

7.10 Governing Law. This Agreement shall, for the purpose of determining the validity and enforceability of Hitachi's security interest in the Collateral and its remedies upon a default, be governed by and construed in accordance with the laws of the jurisdiction where (i) the Debtor is located as of the date of this Agreement if the Collateral is inventory leased or held for lease to others or Collateral that is an intangible or Collateral that is normally used in more than one jurisdiction, and (ii) in all other cases, the laws of the jurisdiction where the Collateral is located. For all other purposes, this Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.


7.11 Executed Copy and Waiver. The Debtor: (i) acknowledges receipt of a fully executed copy of this Agreement; and (ii) if the applicable Personal Property Security Act permits, waives all right to receive from Hitachi a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Agreement.

7.12 Loan Agreement. This Agreement is entered into in connection with the loan agreement between, *inter alios*, the Debtor, as a borrower and Hitachi, as lender, dated on or about the date hereof (the "Loan Agreement"), and is subject to the terms thereof. In the event of any conflict or inconsistency between the provisions of the Loan Agreement and this Agreement, the provisions of the Loan Agreement shall prevail to the extent necessary to remove the conflict, provided that a conflict or inconsistency shall not be deemed to exist only by reason of this Agreement providing of a matter and the Loan Agreement not providing for such matter.


[execution page follows]

Initials : 

FIVE STAR MANAGEMENT LTD.

Signature

Name and title (block letters)

Date
have the authority to bind the corporation.

Signature

Name and title (block letters)

Date
I have the authority to bind the corporation.

[Signature Page – General Security Agreement]

Initials: 



HITACHI CAPITAL CANADA CORP.
3390, South Service Road, Suite 104
Burlington (Ontario) L7N 3J5
Phone: 1-866-241-9021 Fax: 1-866-241-9022

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of the of August, 2020, by VIC VAN ISLE CONSTRUCTION LTD. (the "Debtor"), issued in favor of HITACHI CAPITAL CANADA CORP. (hereinafter called "Hitachi").

WHEREAS Hitachi has agreed to extend credit to the Debtor;

AND WHEREAS the Debtor has agreed to grant, as general and continuing security for the payment and performance of all its obligations to Hitachi, the security interest and assignment, mortgage and charge granted herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the Debtor agrees with Hitachi as follows:

ARTICLE ONE - INTERPRETATION

1.01 Interpretation

1. In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) "Agreement" means this agreement and all schedules to this Agreement, in each case as they may be amended or supplemented from time to time, and the terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement as a whole and not to any particular Article, Section or other portion hereof;
- (b) "Collateral" has the meaning attributed thereto in Section 2.01, and any reference to "Collateral" shall be deemed a reference to "Collateral" or any part thereof;
- (c) "Obligations" means all obligations of the Debtor to Hitachi including, without limiting the generality of the foregoing, all debts, liabilities, and indebtedness, present or future, direct or indirect, absolute or contingent, matured or not, whenever and howsoever incurred, in any currency at any time owing by the Debtor to Hitachi or remaining unpaid by the Debtor to Hitachi and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether arising from dealings between Hitachi and the Debtor or from other dealings or proceedings by which Hitachi may be or become in any manner whatsoever a creditor of the Debtor and wherever incurred and whether incurred by the Debtor alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses; and
- (d) the terms "accounts", "chattel paper", "documents of title", "equipment", "inventory", "goods", "instruments", "money", "proceeds" and "securities" whenever used herein shall have the meaning given to those terms in the *Personal Property Security Act* of the relevant jurisdiction determined in Section 7.10, as amended, re-enacted or replaced from time to time.

2. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

3. In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE TWO - GRANT OF SECURITY

2.01 **Security.** As general and continuing security for the payment and performance of the Obligations, the Debtor hereby grants, sells, assigns, conveys, transfers, mortgages, pledges and charges, as and by way of fixed and specific mortgage, pledge and charge to and in favour of Hitachi, and grants to Hitachi a security interest in, the whole of the undertaking of the Debtor and all of its property and assets, real and personal, movable and immovable, tangible and intangible, of every nature and kind whatsoever and wheresoever situate, both present and future, now or at any time and from time to time owned by the Debtor or in which or in respect of which the Debtor has any interest or rights of any kind, including without limitation, accounts, inventory, equipment, chattel paper, instruments, intangibles and documents of title (collectively, the "Collateral").

ARTICLE THREE - GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR

3.01 **Representations and Warranties.** The Debtor hereby represents and warrants to Hitachi that:

- (a) the Debtor, if a corporation, is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation; the Debtor has the power, corporate or otherwise, to enter into this Agreement; this Agreement has been duly authorized by all necessary action, corporate or otherwise, on the part of the Debtor; this Agreement constitutes a legal and valid agreement binding upon the Debtor and enforceable in accordance with its terms; the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Debtor pursuant to, the articles, by-laws or other constating documents of the Debtor or any agreement, indenture or other instrument to which the Debtor is a party or by which the Debtor or any of its property may be bound or affected;
- (b) all financial information provided by the Debtor to Hitachi is true, correct and complete; all financial statements of the Debtor have been prepared in accordance with Canadian generally accepted accounting principles consistently applied; there has been no material adverse change in the Debtor's financial condition since the date of the most recent financial statements provided to Hitachi;
- (c) except as otherwise provided herein or disclosed in a schedule hereto, all of the Collateral is the sole property of the Debtor free from any liens, charges, security interests, encumbrances or any rights of others which rank prior to or *pari passu* with the security interest, assignment, mortgage and charge granted hereby; and

initials:

- (d) the Debtor's principal place of business and the location of the office where it keeps its records is that given in Section 7.06 of this Agreement, except as otherwise provided herein or disclosed in any schedule hereto.
- 3.02 Covenants.** The Debtor covenants with Hitachi that:
- (a) it shall ensure that the representations and warranties set forth in Section 3.01 are true and correct at all times;
- (b) it shall maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner;
- (c) it shall not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of Hitachi;
- (d) it shall defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests;
- (e) it shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to Hitachi, when required, the receipts and vouchers establishing such payment;
- (f) it shall furnish its financial statements to Hitachi within 120 days after the close of each fiscal year of the Debtor prepared in accordance with generally accepted accounting principles consistently applied and shall from time to time forthwith at the request of Hitachi furnish to Hitachi in writing all information requested relating to the Collateral, and Hitachi shall be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes Hitachi shall have access to all premises occupied by the Debtor or where the Collateral may be found;
- (g) it shall from time to time forthwith at the request of Hitachi execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by Hitachi to effectively carry out the full intent and meaning of this Agreement or to better evidence and perfect the security interest, assignment, mortgage and charge granted hereby, and the Debtor hereby irrevocably constitutes and appoints Hitachi, or any agent appointed by the court or Hitachi, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever Hitachi or any such agent may consider it to be necessary or expedient;
- (h) it shall not change its name or, if the Debtor is a corporation, shall not amalgamate with any other corporation without first giving notice to Hitachi of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective;
- (i) it shall pay to Hitachi forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all legal, agent's and accounting fees and expenses (on a solicitor and its own client full-indemnity basis)) incurred by or on behalf of Hitachi in connection with the preparation, execution, registration or amendment of this Agreement, the perfection or preservation of the security interest, assignment, mortgage and charge granted hereby and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder; and
- (j) it shall not change its principal place of business or the location of the office where it keeps its records or move any Collateral from the location specified in Section 3.01(d) without the prior written consent of Hitachi.
- 3.03** The Debtor will keep all equipment forming a part of the Collateral in good working order and condition, reasonable wear and tear excepted, and Hitachi may, whenever it deems it to be necessary, either in person or by agent, inspect any such equipment and make such repairs thereto as it deems are necessary, and the cost of such inspection and repairs shall be payable by the Debtor to Hitachi upon demand.
- 3.04** If the Collateral should at any time hereafter include securities, instruments, chattel paper and negotiable documents of title, the Debtor will, if requested by Hitachi, immediately deliver possession of such securities, instruments, chattel paper and negotiable documents of title to Hitachi and, if requested by Hitachi, will cause such securities included in the Collateral to be registered in Hitachi's name so that Hitachi may appear of record as the sole owner of such securities. Until the occurrence of an Event of Default, the Debtor shall be entitled to receive all distributions paid in respect of any securities included in the Collateral, shall be entitled to exercise all voting rights with respect to such securities and Hitachi will deliver to the Debtor or to a person designated by the Debtor, upon written request and upon receipt of payment of Hitachi's expenses in connection therewith, directions with respect to such distributions and a proxy vote to such securities. The Debtor waives all right to receive any such distribution and all other rights after the occurrence of an Event of Default. The Debtor agrees that no proxy issued by Hitachi to the Debtor or its order as aforesaid shall be effective from and after the occurrence of an Event of Default, and upon the occurrence of an Event of Default the Debtor shall immediately surrender any such proxy to Hitachi.

ARTICLE FOUR - INSURANCE

- 4.01 Insurance.** The Debtor shall obtain and maintain, at its own expense, insurance against loss or damage to the Collateral including, without limiting the generality of the foregoing, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against, in amounts, in such form and with such insurers as shall be reasonably satisfactory to Hitachi. If any such policies of insurance contain a co-insurance clause, the Debtor shall either cause any such co-insurance clause to be waived or maintain at all times a sufficient amount of insurance to meet the requirements of any such co-insurance clause so as to prevent the Debtor from becoming a co-insurer under the terms of any such policy. All such policies shall name Hitachi as an additional insured and loss payee thereof, as Hitachi's interests may appear, and shall provide that the insurer will give Hitachi at least 10 days written notice of intended cancellation. At Hitachi's request, the Debtor shall furnish Hitachi with a copy of any policy of insurance and certificate of insurance or other evidence satisfactory to Hitachi that such insurance coverage is in effect. The Debtor shall give Hitachi notice of any damage to, or loss of, the Collateral forthwith upon the occurrence of any such damage or loss. Should the Debtor fail to make any payment or perform any other obligation provided in this Section, Hitachi shall have the right, but not the obligation, without notice or demand upon the Debtor and without releasing the Debtor from any obligation hereunder or waiving any rights to enforce this Agreement, to perform any or all of such obligations. The amount of all such payments made and all costs, fees and expenses incurred by Hitachi in performing such obligations shall be immediately due and payable by the Debtor.

ARTICLE FIVE - DEALING WITH COLLATERAL

- 5.01 Dealing with Collateral by the Debtor.**
The Debtor shall not sell, lease or otherwise dispose of the Collateral without the prior written consent.

ARTICLE SIX - DEFAULT AND REMEDIES

- 6.01 Events of Default**
The Debtor shall be in default under this Agreement upon the occurrence of any of the following events (herein referred to as an "Event of Default"):

Initials: 

- (a) the Debtor fails to pay to Hitachi all or any part of the Obligations when due;
- (b) the Debtor fails to observe or perform any covenant or obligation of the Debtor contained in this Agreement (other than a covenant or obligation specifically dealt with elsewhere in this Section 6.01);
- (c) any representation, warranty or statement made by the Debtor herein or in any document or certificate furnished at any time to Hitachi in connection herewith shall prove to be incorrect or misleading when made or furnished;
- (d) the Debtor or any guarantor of the Debtor is in default under any other agreement now existing or hereafter entered into with Hitachi or any assignee of Hitachi whether the Debtor is bound alone or with others;
- (e) the Debtor ceases or threatens to cease to carry on the business currently being carried on or sells or disposes of all or substantially all of its property;
- (f) the Debtor shall be an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or commits or threatens to commit any act of bankruptcy or if a petition in bankruptcy, any proposal, arrangement or reorganization under the *Bankruptcy and Insolvency Act*, *Winding-Up Act* or *Companies' Creditors Arrangement Act* is filed by or against the Debtor or if a receiver or receiver-manager is appointed for the Debtor or a substantial part of the Debtor's property;
- (g) an encumbrancer or any other party takes possession of a substantial part of the Debtor's property or any of the Collateral;
- (h) if the Debtor is a corporation, there is a change in its effective control without Hitachi's prior written consent;
- (i) the Collateral or any part thereof is seized forfeited or confiscated or otherwise attached by anyone pursuant to any legal process or other means;
- (j) Hitachi believes in good faith that the payment of the Obligations or the performance or observation of any covenant herein is impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Debtor or seized or otherwise attached by anyone pursuant to any legal process or otherwise; or
- (k) the Debtor dies or becomes mentally incompetent, if an individual, or is dissolved, amalgamated or is wound up if the Debtor is a corporation.

6.02 Remedies

1. Upon the occurrence of any Event of Default and at any time thereafter, Hitachi shall have, in addition to any right or remedy provided by law, the rights and remedies set out below, all of which rights and remedies shall be enforceable successively, concurrently and/or cumulatively and all of which may be exercised by Hitachi directly or through agents or nominees:
 - (a) any or all of the Obligations shall at the option of Hitachi become immediately due and payable or be subject to immediate performance, as the case may be, without further demand or notice, both of which are expressly waived; and the obligations, if any, of Hitachi to make further advances to the Debtor shall cease; and any or all security granted hereby shall, at the option of Hitachi, become immediately enforceable;
 - (b) Hitachi may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to Hitachi at such place or places as may be specified by Hitachi;
 - (c) Hitachi may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
 - (d) Hitachi may sell, lease or otherwise dispose of the Collateral at public auction, by private tender or by private sale either for cash or upon credit upon such terms and conditions as Hitachi may determine and without notice to the Debtor unless required by law; and
 - (e) Hitachi may retain the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law.
2. The Debtor further agrees with Hitachi that:
 - (a) Hitachi shall not be liable or responsible for any failure to seize, collect, realize, sell or obtain payment of the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment of the Collateral or for the purpose of preserving any rights of Hitachi, the Debtor or any other person in respect of the Collateral;
 - (b) Hitachi may grant extensions of time, take, abstain from taking and perfecting and give up security, accept compositions, grant releases and discharges, release any part of the Collateral and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as Hitachi may see fit without prejudice to the liability of the Debtor to Hitachi or Hitachi's rights hereunder;
 - (c) to facilitate the realization of the Collateral, Hitachi may enter upon, occupy and use all or any of the premises owned or occupied by the Debtor and use all or any of the equipment and other personal property of the Debtor for such time as Hitachi requires, free of charge, and Hitachi shall not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
 - (d) Hitachi may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured; and
 - (e) any proceeds of realization of the Collateral may be applied by Hitachi to the payment of reasonable costs, charges and expenses (including, without limiting the generality of the foregoing, legal, agent's and accounting fees and expenses (on a solicitor and its own client full-indemnity basis)) incurred in connection with the exercise of any of the rights, powers and remedies granted under this Agreement and any balance of such proceeds shall be applied by Hitachi to payment of the Obligations in such order as Hitachi may see fit; if there is any surplus remaining, it shall be paid to any person having a claim thereto in priority to the Debtor of whom Hitachi has knowledge and any balance remaining shall be paid to the Debtor; if the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid costs, charges and expenses, the Debtor shall be liable to pay any deficiency to Hitachi forthwith on demand.

ARTICLE SEVEN - GENERAL

- 7.01 **Benefit of the Agreement.** This Agreement shall be binding upon the heirs, executors, administrators, successors and permitted assigns of the Debtor and shall benefit the successors and assigns of Hitachi. If there is more than one Debtor named herein, the term "Debtor" shall mean all and each of them, their obligations under this Agreement shall be joint and several and the Obligations shall include those of all or any one of them. No Debtor shall have any right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations unless and until all of the Obligations have been paid or performed in full.
- 7.02 **Entire Agreement.** This Agreement, including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Debtor and Hitachi with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between Hitachi and the Debtor except as expressly set forth herein.
- 7.03 **No Waiver.** No delay or failure by Hitachi in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.
- 7.04 **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof

Initials : 

shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

7.05 **Further Assurance.** The Debtor will from time to time, at the request of Hitachi and at the expense of the Debtor, make, do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, things and assurances as Hitachi may deem necessary or desirable to perfect and preserve the security granted hereby and give effect to this Agreement. The Debtor hereby irrevocably appoints Hitachi as its attorney in fact to do all such acts and things, with full power of substitution, and the Debtor agrees to ratify and confirm all such acts of the said attorney lawfully done. The Debtor shall pay all costs for searches and filings in connection with the registration, perfection and continuation of the security granted hereunder.

7.06 **Notices.** Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, registered mail or by electronic means, addressed to the recipient as follows:

(a) To the Debtor: 96 Cartier Street Revelstoke, BC V0E 2S0	(b) To Hitachi: 301-3390 South Service Road Burlington, Ontario, L7N 3J5
Fax No.: _____	Fax No: (905) 631-9388

or such other address, electronic communication number or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours and on the next business day if given after normal business hours on any day. If the party giving any communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication shall not be mailed but shall be given by personal delivery or by electronic communication.

7.07 **Modification; Assignment.** This Agreement may not be amended or modified in any respect except by written instrument signed by all parties. The rights of Hitachi under this Agreement may be assigned by Hitachi without the prior consent of the Debtor, free of any set-off, counterclaim or equities between the Debtor and Hitachi, and the Debtor shall not assert against any assignee of Hitachi any claim or defense that the Debtor has or may hereafter have against Hitachi. The Debtor may not assign its obligations under this Agreement.

7.08 **Additional Continuing Security.** This Agreement and the security interest, assignment, mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by Hitachi and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by Hitachi.

7.09 **Discharge.** The Debtor shall not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by Hitachi.

7.10 **Governing Law.** This Agreement shall, for the purpose of determining the validity and enforceability of Hitachi's security interest in the Collateral and its remedies upon a default, be governed by and construed in accordance with the laws of the jurisdiction where (i) the Debtor is located as of the date of this Agreement if the Collateral is inventory leased or held for lease to others or Collateral that is an intangible or Collateral that is normally used in more than one jurisdiction, and (ii) in all other cases, the laws of the jurisdiction where the Collateral is located. For all other purposes, this Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.


7.11 **Executed Copy and Waiver.** The Debtor: (i) acknowledges receipt of a fully executed copy of this Agreement; and (ii) if the applicable Personal Property Security Act permits, waives all right to receive from Hitachi a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Agreement.


7.12 **Loan Agreement.** This Agreement is entered into in connection with the loan agreement between, *inter alios*, the Debtor, as a borrower and Hitachi, as lender, dated on or about the date hereof (the "**Loan Agreement**"), and is subject to the terms thereof. In the event of any conflict or inconsistency between the provisions of the Loan Agreement and this Agreement, the provisions of the Loan Agreement shall prevail to the extent necessary to remove the conflict, provided that a conflict or inconsistency shall not be deemed to exist only by reason of this Agreement providing of a matter and the Loan Agreement not providing for such matter.

[execution page follows]

Initials: 

VIC VAN ISLE CONSTRUCTION LTD.


Signature
James Hampton Director
Name and title (block letters)


Signature
Lewis Hendricks
Name and title (block letters)

Date
_____ have the authority to bind the corporation.

Date
_____ I have the authority to bind the corporation.

[Signature Page – General Security Agreement]

Initials 



HITACHI CAPITAL CANADA CORP.
3390, South Service Road, Suite 104
Burlington (Ontario) L7N 3J5
Phone: 1-866-241-9021 Fax: 1-866-241-9022

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of the ____ of August, 2020, by VVI CONSTRUCTION LTD. (the "Debtor"), issued in favor of HITACHI CAPITAL CANADA CORP. (hereinafter called "Hitachi").

WHEREAS Hitachi has agreed to extend credit to the Debtor;

AND WHEREAS the Debtor has agreed to grant, as general and continuing security for the payment and performance of all its obligations to Hitachi, the security interest and assignment, mortgage and charge granted herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the Debtor agrees with Hitachi as follows:

ARTICLE ONE - INTERPRETATION

1.01 Interpretation

1. In this Agreement, unless something in the subject matter or context is inconsistent therewith:
 - (a) "Agreement" means this agreement and all schedules to this Agreement, in each case as they may be amended or supplemented from time to time, and the terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement as a whole and not to any particular Article, Section or other portion hereof;
 - (b) "Collateral" has the meaning attributed thereto in Section 2.01, and any reference to "Collateral" shall be deemed a reference to "Collateral" or any part thereof;
 - (c) "Obligations" means all obligations of the Debtor to Hitachi including, without limiting the generality of the foregoing, all debts, liabilities, and indebtedness, present or future, direct or indirect, absolute or contingent, matured or not, whenever and howsoever incurred, in any currency at any time owing by the Debtor to Hitachi or remaining unpaid by the Debtor to Hitachi and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether arising from dealings between Hitachi and the Debtor or from other dealings or proceedings by which Hitachi may be or become in any manner whatsoever a creditor of the Debtor and wherever incurred and whether incurred by the Debtor alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses; and
 - (d) the terms "accounts", "chattel paper", "documents of title", "equipment", "inventory", "goods", "instruments", "money", "proceeds" and "securities" whenever used herein shall have the meaning given to those terms in the *Personal Property Security Act* of the relevant jurisdiction determined in Section 7.10, as amended, re-enacted or replaced from time to time.
2. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.
3. In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE TWO - GRANT OF SECURITY

- 2.01 **Security.** As general and continuing security for the payment and performance of the Obligations, the Debtor hereby grants, sells, assigns, conveys, transfers, mortgages, pledges and charges, as and by way of fixed and specific mortgage, pledge and charge to and in favour of Hitachi, and grants to Hitachi a security interest in, the whole of the undertaking of the Debtor and all of its property and assets, real and personal, movable and immovable, tangible and intangible, of every nature and kind whatsoever and wheresoever situated, both present and future, now or at any time and from time to time owned by the Debtor or in which or in respect of which the Debtor has any interest or rights of any kind, including without limitation, accounts, inventory, equipment, chattel paper, instruments, intangibles and documents of title (collectively, the "Collateral").

ARTICLE THREE - GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR

- 3.01 **Representations and Warranties.** The Debtor hereby represents and warrants to Hitachi that:
 - (a) the Debtor, if a corporation, is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation; the Debtor has the power, corporate or otherwise, to enter into this Agreement; this Agreement has been duly authorized by all necessary action, corporate or otherwise, on the part of the Debtor; this Agreement constitutes a legal and valid agreement binding upon the Debtor and enforceable in accordance with its terms; the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Debtor pursuant to, the articles, by-laws or other constating documents of the Debtor or any agreement, indenture or other instrument to which the Debtor is a party or by which the Debtor or any of its property may be bound or affected;
 - (b) all financial information provided by the Debtor to Hitachi is true, correct and complete; all financial statements of the Debtor have been prepared in accordance with Canadian generally accepted accounting principles consistently applied; there has been no material adverse change in the Debtor's financial condition since the date of the most recent financial statements provided to Hitachi;
 - (c) except as otherwise provided herein or disclosed in a schedule hereto, all of the Collateral is the sole property of the Debtor free from any liens, charges, security interests, encumbrances or any rights of others which rank prior to or *pari passu* with the security interest, assignment, mortgage and charge granted hereby; and

Initials : 

- (d) the Debtor's principal place of business and the location of the office where it keeps its records is that given in Section 7.06 of this Agreement, except as otherwise provided herein or disclosed in any schedule hereto.

3.02 Covenants. The Debtor covenants with Hitachi that:

- (a) it shall ensure that the representations and warranties set forth in Section 3.01 are true and correct at all times;
- (b) it shall maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner;
- (c) it shall not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of Hitachi;
- (d) it shall defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests;
- (e) it shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to Hitachi, when required, the receipts and vouchers establishing such payment;
- (f) it shall furnish its financial statements to Hitachi within 120 days after the close of each fiscal year of the Debtor prepared in accordance with generally accepted accounting principles consistently applied and shall from time to time forthwith at the request of Hitachi furnish to Hitachi in writing all information requested relating to the Collateral, and Hitachi shall be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes Hitachi shall have access to all premises occupied by the Debtor or where the Collateral may be found;
- (g) it shall from time to time forthwith at the request of Hitachi execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by Hitachi to effectively carry out the full intent and meaning of this Agreement or to better evidence and perfect the security interest, assignment, mortgage and charge granted hereby, and the Debtor hereby irrevocably constitutes and appoints Hitachi, or any agent appointed by the court or Hitachi, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever Hitachi or any such agent may consider it to be necessary or expedient;
- (h) it shall not change its name or, if the Debtor is a corporation, shall not amalgamate with any other corporation without first giving notice to Hitachi of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective;
- (i) it shall pay to Hitachi forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all legal, agent's and accounting fees and expenses (on a solicitor and its own client full-indemnity basis)) incurred by or on behalf of Hitachi in connection with the preparation, execution, registration or amendment of this Agreement, the perfection or preservation of the security interest, assignment, mortgage and charge granted hereby and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder; and
- (j) it shall not change its principal place of business or the location of the office where it keeps its records or move any Collateral from the location specified in Section 3.01(d) without the prior written consent of Hitachi.

3.03 The Debtor will keep all equipment forming a part of the Collateral in good working order and condition, reasonable wear and tear excepted, and Hitachi may, whenever it deems it to be necessary, either in person or by agent, inspect any such equipment and make such repairs thereto as it deems are necessary, and the cost of such inspection and repairs shall be payable by the Debtor to Hitachi upon demand.

3.04 If the Collateral should at any time hereafter include securities, instruments, chattel paper and negotiable documents of title, the Debtor will, if requested by Hitachi, immediately deliver possession of such securities, instruments, chattel paper and negotiable documents of title to Hitachi and, if requested by Hitachi, will cause such securities included in the Collateral to be registered in Hitachi's name so that Hitachi may appear of record as the sole owner of such securities. Until the occurrence of an Event of Default, the Debtor shall be entitled to receive all distributions paid in respect of any securities included in the Collateral, shall be entitled to exercise all voting rights with respect to such securities and Hitachi will deliver to the Debtor or to a person designated by the Debtor, upon written request and upon receipt of payment of Hitachi's expenses in connection therewith, directions with respect to such distributions and a proxy vote to such securities. The Debtor waives all right to receive any such distribution and all other rights after the occurrence of an Event of Default. The Debtor agrees that no proxy issued by Hitachi to the Debtor or its order as aforesaid shall be effective from and after the occurrence of an Event of Default, and upon the occurrence of an Event of Default the Debtor shall immediately surrender any such proxy to Hitachi.

ARTICLE FOUR - INSURANCE

4.01 Insurance. The Debtor shall obtain and maintain, at its own expense, insurance against loss or damage to the Collateral including, without limiting the generality of the foregoing, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against, in amounts, in such form and with such insurers as shall be reasonably satisfactory to Hitachi. If any such policies of insurance contain a co-insurance clause, the Debtor shall either cause any such co-insurance clause to be waived or maintain at all times a sufficient amount of insurance to meet the requirements of any such co-insurance clause so as to prevent the Debtor from becoming a co-insurer under the terms of any such policy. All such policies shall name Hitachi as an additional insured and loss payee thereof, as Hitachi's interests may appear, and shall provide that the insurer will give Hitachi at least 10 days written notice of intended cancellation. At Hitachi's request, the Debtor shall furnish Hitachi with a copy of any policy of insurance and certificate of insurance or other evidence satisfactory to Hitachi that such insurance coverage is in effect. The Debtor shall give Hitachi notice of any damage to, or loss of, the Collateral forthwith upon the occurrence of any such damage or loss. Should the Debtor fail to make any payment or perform any other obligation provided in this Section, Hitachi shall have the right, but not the obligation, without notice or demand upon the Debtor and without releasing the Debtor from any obligation hereunder or waiving any rights to enforce this Agreement, to perform any or all of such obligations. The amount of all such payments made and all costs, fees and expenses incurred by Hitachi in performing such obligations shall be immediately due and payable by the Debtor.

ARTICLE FIVE - DEALING WITH COLLATERAL

5.01 Dealing with Collateral by the Debtor.
The Debtor shall not sell, lease or otherwise dispose of the Collateral without the prior written consent.

ARTICLE SIX - DEFAULT AND REMEDIES

6.01 Events of Default
The Debtor shall be in default under this Agreement upon the occurrence of any of the following events (herein referred to as an "Event of Default"):

Initials: 

- (a) the Debtor fails to pay to Hitachi all or any part of the Obligations when due;
- (b) the Debtor fails to observe or perform any covenant or obligation of the Debtor contained in this Agreement (other than a covenant or obligation specifically dealt with elsewhere in this Section 6.01);
- (c) any representation, warranty or statement made by the Debtor herein or in any document or certificate furnished at any time to Hitachi in connection herewith shall prove to be incorrect or misleading when made or furnished;
- (d) the Debtor or any guarantor of the Debtor is in default under any other agreement now existing or hereafter entered into with Hitachi or any assignee of Hitachi whether the Debtor is bound alone or with others;
- (e) the Debtor ceases or threatens to cease to carry on the business currently being carried on or sells or disposes of all or substantially all of its property;
- (f) the Debtor shall be an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or commits or threatens to commit any act of bankruptcy or if a petition in bankruptcy, any proposal, arrangement or reorganization under the *Bankruptcy and Insolvency Act*, *Winding-Up Act* or *Companies' Creditors Arrangement Act* is filed by or against the Debtor or if a receiver or receiver-manager is appointed for the Debtor or a substantial part of the Debtor's property;
- (g) an encumbrancer or any other party takes possession of a substantial part of the Debtor's property or any of the Collateral;
- (h) if the Debtor is a corporation, there is a change in its effective control without Hitachi's prior written consent;
- (i) the Collateral or any part thereof is seized forfeited or confiscated or otherwise attached by anyone pursuant to any legal process or other means;
- (j) Hitachi believes in good faith that the payment of the Obligations or the performance or observation of any covenant herein is impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Debtor or seized or otherwise attached by anyone pursuant to any legal process or otherwise; or
- (k) the Debtor dies or becomes mentally incompetent, if an individual, or is dissolved, amalgamated or is wound up if the Debtor is a corporation.

6.02 Remedies

1. Upon the occurrence of any Event of Default and at any time thereafter, Hitachi shall have, in addition to any right or remedy provided by law, the rights and remedies set out below, all of which rights and remedies shall be enforceable successively, concurrently and/or cumulatively and all of which may be exercised by Hitachi directly or through agents or nominees:
 - (a) any or all of the Obligations shall at the option of Hitachi become immediately due and payable or be subject to immediate performance, as the case may be, without further demand or notice, both of which are expressly waived; and the obligations, if any, of Hitachi to make further advances to the Debtor shall cease; and any or all security granted hereby shall, at the option of Hitachi, become immediately enforceable;
 - (b) Hitachi may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to Hitachi at such place or places as may be specified by Hitachi;
 - (c) Hitachi may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
 - (d) Hitachi may sell, lease or otherwise dispose of the Collateral at public auction, by private tender or by private sale either for cash or upon credit upon such terms and conditions as Hitachi may determine and without notice to the Debtor unless required by law; and
 - (e) Hitachi may retain the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law.
2. The Debtor further agrees with Hitachi that:
 - (a) Hitachi shall not be liable or responsible for any failure to seize, collect, realize, sell or obtain payment of the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment of the Collateral or for the purpose of preserving any rights of Hitachi, the Debtor or any other person in respect of the Collateral;
 - (b) Hitachi may grant extensions of time, take, abstain from taking and perfecting and give up security, accept compositions, grant releases and discharges, release any part of the Collateral and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as Hitachi may see fit without prejudice to the liability of the Debtor to Hitachi or Hitachi's rights hereunder;
 - (c) to facilitate the realization of the Collateral, Hitachi may enter upon, occupy and use all or any of the premises owned or occupied by the Debtor and use all or any of the equipment and other personal property of the Debtor for such time as Hitachi requires, free of charge, and Hitachi shall not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
 - (d) Hitachi may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured; and
 - (e) any proceeds of realization of the Collateral may be applied by Hitachi to the payment of reasonable costs, charges and expenses (including, without limiting the generality of the foregoing, legal, agent's and accounting fees and expenses (on a solicitor and its own client full-indemnity basis)) incurred in connection with the exercise of any of the rights, powers and remedies granted under this Agreement and any balance of such proceeds shall be applied by Hitachi to payment of the Obligations in such order as Hitachi may see fit; if there is any surplus remaining, it shall be paid to any person having a claim thereto in priority to the Debtor of whom Hitachi has knowledge and any balance remaining shall be paid to the Debtor; if the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid costs, charges and expenses, the Debtor shall be liable to pay any deficiency to Hitachi forthwith on demand.

ARTICLE SEVEN - GENERAL

- 7.01 **Benefit of the Agreement.** This Agreement shall be binding upon the heirs, executors, administrators, successors and permitted assigns of the Debtor and shall benefit the successors and assigns of Hitachi. If there is more than one Debtor named herein, the term "Debtor" shall mean all and each of them, their obligations under this Agreement shall be joint and several and the Obligations shall include those of all or any one of them. No Debtor shall have any right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations unless and until all of the Obligations have been paid or performed in full.
- 7.02 **Entire Agreement.** This Agreement, including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Debtor and Hitachi with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between Hitachi and the Debtor except as expressly set forth herein.
- 7.03 **No Waiver.** No delay or failure by Hitachi in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.
- 7.04 **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof

Initials : 

shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

7.05 **Further Assurance.** The Debtor will from time to time, at the request of Hitachi and at the expense of the Debtor, make, do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, things and assurances as Hitachi may deem necessary or desirable to perfect and preserve the security granted hereby and give effect to this Agreement. The Debtor hereby irrevocably appoints Hitachi as its attorney in fact to do all such acts and things, with full power of substitution, and the Debtor agrees to ratify and confirm all such acts of the said attorney lawfully done. The Debtor shall pay all costs for searches and filings in connection with the registration, perfection and continuation of the security granted hereunder.

7.06 **Notices.** Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, registered mail or by electronic means, addressed to the recipient as follows:

(a) To the Debtor:	96 Cartier Street Revelstoke, BC V0E 2S0	(b) To Hitachi:	301-3390 South Service Road Burlington, Ontario, L7N 3J5
Fax No.:		Fax No.:	(905) 631-9388

or such other address, electronic communication number or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours and on the next business day if given after normal business hours on any day. If the party giving any communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication shall not be mailed but shall be given by personal delivery or by electronic communication.

7.07 **Modification; Assignment.** This Agreement may not be amended or modified in any respect except by written instrument signed by all parties. The rights of Hitachi under this Agreement may be assigned by Hitachi without the prior consent of the Debtor, free of any set-off, counterclaim or equities between the Debtor and Hitachi, and the Debtor shall not assert against any assignee of Hitachi any claim or defense that the Debtor has or may hereafter have against Hitachi. The Debtor may not assign its obligations under this Agreement.

7.08 **Additional Continuing Security.** This Agreement and the security interest, assignment, mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by Hitachi and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by Hitachi.

7.09 **Discharge.** The Debtor shall not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by Hitachi.

7.10 **Governing Law.** This Agreement shall, for the purpose of determining the validity and enforceability of Hitachi's security interest in the Collateral and its remedies upon a default, be governed by and construed in accordance with the laws of the jurisdiction where (i) the Debtor is located as of the date of this Agreement if the Collateral is inventory leased or held for lease to others or Collateral that is an intangible or Collateral that is normally used in more than one jurisdiction, and (ii) in all other cases, the laws of the jurisdiction where the Collateral is located. For all other purposes, this Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.


7.11 **Executed Copy and Waiver.** The Debtor: (i) acknowledges receipt of a fully executed copy of this Agreement; and (ii) if the applicable Personal Property Security Act permits, waives all right to receive from Hitachi a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Agreement.


7.12 **Loan Agreement.** This Agreement is entered into in connection with the loan agreement between, *inter alios*, the Debtor, as a borrower and Hitachi, as lender, dated on or about the date hereof (the "Loan Agreement"), and is subject to the terms thereof. In the event of any conflict or inconsistency between the provisions of the Loan Agreement and this Agreement, the provisions of the Loan Agreement shall prevail to the extent necessary to remove the conflict, provided that a conflict or inconsistency shall not be deemed to exist only by reason of this Agreement providing of a matter and the Loan Agreement not providing for such matter.

[execution page follows]

Initials: 

VVI CONSTRUCTION LTD.


Signature
James Hampton Director
Name and title (block letters)


Signature
Lewis Hedrickson
Name and title (block letters)

Date
I have the authority to bind the corporation.

Date
I have the authority to bind the corporation.

[Signature Page – General Security Agreement]

Initials : LB



HITACHI CAPITAL CANADA CORP.
3390, South Service Road, Suite 104
Burlington (Ontario) L7N 3J5
Phone: 1-866-241-9021 Fax: 1-866-241-9022

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of the ____ of August, 2020, by WOOD-NOR CONSTRUCTION LTD. (the "Debtor"), issued in favor of HITACHI CAPITAL CANADA CORP. (hereinafter called "Hitachi").

WHEREAS Hitachi has agreed to extend credit to the Debtor;

AND WHEREAS the Debtor has agreed to grant, as general and continuing security for the payment and performance of all its obligations to Hitachi, the security interest and assignment, mortgage and charge granted herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the Debtor agrees with Hitachi as follows:

ARTICLE ONE - INTERPRETATION

1.01 Interpretation

1. In this Agreement, unless something in the subject matter or context is inconsistent therewith:
 - (a) "Agreement" means this agreement and all schedules to this Agreement, in each case as they may be amended or supplemented from time to time, and the terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement as a whole and not to any particular Article, Section or other portion hereof;
 - (b) "Collateral" has the meaning attributed thereto in Section 2.01, and any reference to "Collateral" shall be deemed a reference to "Collateral" or any part thereof;
 - (c) "Obligations" means all obligations of the Debtor to Hitachi including, without limiting the generality of the foregoing, all debts, liabilities, and indebtedness, present or future, direct or indirect, absolute or contingent, matured or not, whenever and howsoever incurred, in any currency at any time owing by the Debtor to Hitachi or remaining unpaid by the Debtor to Hitachi and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether arising from dealings between Hitachi and the Debtor or from other dealings or proceedings by which Hitachi may be or become in any manner whatsoever a creditor of the Debtor and wherever incurred and whether incurred by the Debtor alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses; and
 - (d) the terms "accounts", "chattel paper", "documents of title", "equipment", "inventory", "goods", "instruments", "money", "proceeds" and "securities" whenever used herein shall have the meaning given to those terms in the *Personal Property Security Act* of the relevant jurisdiction determined in Section 7.10, as amended, re-enacted or replaced from time to time.
2. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.
3. In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE TWO - GRANT OF SECURITY

- 2.01 **Security.** As general and continuing security for the payment and performance of the Obligations, the Debtor hereby grants, sells, assigns, conveys, transfers, mortgages, pledges and charges, as and by way of fixed and specific mortgage, pledge and charge to and in favour of Hitachi, and grants to Hitachi a security interest in, the whole of the undertaking of the Debtor and all of its property and assets, real and personal, movable and immovable, tangible and intangible, of every nature and kind whatsoever and wheresoever situate, both present and future, now or at any time and from time to time owned by the Debtor or in which or in respect of which the Debtor has any interest or rights of any kind, including without limitation, accounts, inventory, equipment, chattel paper, instruments, intangibles and documents of title (collectively, the "Collateral").

ARTICLE THREE - GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR

- 3.01 **Representations and Warranties.** The Debtor hereby represents and warrants to Hitachi that:
 - (a) the Debtor, if a corporation, is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation; the Debtor has the power, corporate or otherwise, to enter into this Agreement; this Agreement has been duly authorized by all necessary action, corporate or otherwise, on the part of the Debtor; this Agreement constitutes a legal and valid agreement binding upon the Debtor and enforceable in accordance with its terms; the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Debtor pursuant to, the articles, by-laws or other constating documents of the Debtor or any agreement, indenture or other instrument to which the Debtor is a party or by which the Debtor or any of its property may be bound or affected;
 - (b) all financial information provided by the Debtor to Hitachi is true, correct and complete; all financial statements of the Debtor have been prepared in accordance with Canadian generally accepted accounting principles consistently applied; there has been no material adverse change in the Debtor's financial condition since the date of the most recent financial statements provided to Hitachi;
 - (c) except as otherwise provided herein or disclosed in a schedule hereto, all of the Collateral is the sole property of the Debtor free from any liens, charges, security interests, encumbrances or any rights of others which rank prior to or *pari passu* with the security interest, assignment, mortgage and charge granted hereby; and

Initials: 

- (d) the Debtor's principal place of business and the location of the office where it keeps its records is that given in Section 7.06 of this Agreement, except as otherwise provided herein or disclosed in any schedule hereto.
- 3.02 Covenants.** The Debtor covenants with Hitachi that:
- (a) it shall ensure that the representations and warranties set forth in Section 3.01 are true and correct at all times;
- (b) it shall maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner;
- (c) it shall not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of Hitachi;
- (d) it shall defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests;
- (e) it shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to Hitachi, when required, the receipts and vouchers establishing such payment;
- (f) it shall furnish its financial statements to Hitachi within 120 days after the close of each fiscal year of the Debtor prepared in accordance with generally accepted accounting principles consistently applied and shall from time to time forthwith at the request of Hitachi furnish to Hitachi in writing all information requested relating to the Collateral, and Hitachi shall be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes Hitachi shall have access to all premises occupied by the Debtor or where the Collateral may be found;
- (g) it shall from time to time forthwith at the request of Hitachi execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by Hitachi to effectively carry out the full intent and meaning of this Agreement or to better evidence and perfect the security interest, assignment, mortgage and charge granted hereby, and the Debtor hereby irrevocably constitutes and appoints Hitachi, or any agent appointed by the court or Hitachi, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever Hitachi or any such agent may consider it to be necessary or expedient;
- (h) it shall not change its name or, if the Debtor is a corporation, shall not amalgamate with any other corporation without first giving notice to Hitachi of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective;
- (i) it shall pay to Hitachi forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all legal, agent's and accounting fees and expenses (on a solicitor and its own client full-indemnity basis)) incurred by or on behalf of Hitachi in connection with the preparation, execution, registration or amendment of this Agreement, the perfection or preservation of the security interest, assignment, mortgage and charge granted hereby and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder; and
- (j) it shall not change its principal place of business or the location of the office where it keeps its records or move any Collateral from the location specified in Section 3.01(d) without the prior written consent of Hitachi.
- 3.03** The Debtor will keep all equipment forming a part of the Collateral in good working order and condition, reasonable wear and tear excepted, and Hitachi may, whenever it deems it to be necessary, either in person or by agent, inspect any such equipment and make such repairs thereto as it deems are necessary, and the cost of such inspection and repairs shall be payable by the Debtor to Hitachi upon demand.
- 3.04** If the Collateral should at any time hereafter include securities, instruments, chattel paper and negotiable documents of title, the Debtor will, if requested by Hitachi, immediately deliver possession of such securities, instruments, chattel paper and negotiable documents of title to Hitachi and, if requested by Hitachi, will cause such securities included in the Collateral to be registered in Hitachi's name so that Hitachi may appear of record as the sole owner of such securities. Until the occurrence of an Event of Default, the Debtor shall be entitled to receive all distributions paid in respect of any securities included in the Collateral, shall be entitled to exercise all voting rights with respect to such securities and Hitachi will deliver to the Debtor or to a person designated by the Debtor, upon written request and upon receipt of payment of Hitachi's expenses in connection therewith, directions with respect to such distributions and a proxy vote to such securities. The Debtor waives all right to receive any such distribution and all other rights after the occurrence of an Event of Default. The Debtor agrees that no proxy issued by Hitachi to the Debtor or its order as aforesaid shall be effective from and after the occurrence of an Event of Default, and upon the occurrence of an Event of Default the Debtor shall immediately surrender any such proxy to Hitachi.

ARTICLE FOUR - INSURANCE

- 4.01 Insurance.** The Debtor shall obtain and maintain, at its own expense, insurance against loss or damage to the Collateral including, without limiting the generality of the foregoing, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against, in amounts, in such form and with such insurers as shall be reasonably satisfactory to Hitachi. If any such policies of insurance contain a co-insurance clause, the Debtor shall either cause any such co-insurance clause to be waived or maintain at all times a sufficient amount of insurance to meet the requirements of any such co-insurance clause so as to prevent the Debtor from becoming a co-insurer under the terms of any such policy. All such policies shall name Hitachi as an additional insured and loss payee thereof, as Hitachi's interests may appear, and shall provide that the insurer will give Hitachi at least 10 days written notice of intended cancellation. At Hitachi's request, the Debtor shall furnish Hitachi with a copy of any policy of insurance and certificate of insurance or other evidence satisfactory to Hitachi that such insurance coverage is in effect. The Debtor shall give Hitachi notice of any damage to, or loss of, the Collateral forthwith upon the occurrence of any such damage or loss. Should the Debtor fail to make any payment or perform any other obligation provided in this Section, Hitachi shall have the right, but not the obligation, without notice or demand upon the Debtor and without releasing the Debtor from any obligation hereunder or waiving any rights to enforce this Agreement, to perform any or all of such obligations. The amount of all such payments made and all costs, fees and expenses incurred by Hitachi in performing such obligations shall be immediately due and payable by the Debtor.

ARTICLE FIVE - DEALING WITH COLLATERAL

- 5.01 Dealing with Collateral by the Debtor.**
The Debtor shall not sell, lease or otherwise dispose of the Collateral without the prior written consent.

ARTICLE SIX - DEFAULT AND REMEDIES

- 6.01 Events of Default**
The Debtor shall be in default under this Agreement upon the occurrence of any of the following events (herein referred to as an "Event of Default"):

Initials: 

- (a) the Debtor fails to pay to Hitachi all or any part of the Obligations when due;
- (b) the Debtor fails to observe or perform any covenant or obligation of the Debtor contained in this Agreement (other than a covenant or obligation specifically dealt with elsewhere in this Section 6.01);
- (c) any representation, warranty or statement made by the Debtor herein or in any document or certificate furnished at any time to Hitachi in connection herewith shall prove to be incorrect or misleading when made or furnished;
- (d) the Debtor or any guarantor of the Debtor is in default under any other agreement now existing or hereafter entered into with Hitachi or any assignee of Hitachi whether the Debtor is bound alone or with others;
- (e) the Debtor ceases or threatens to cease to carry on the business currently being carried on or sells or disposes of all or substantially all of its property;
- (f) the Debtor shall be an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or commits or threatens to commit any act of bankruptcy or if a petition in bankruptcy, any proposal, arrangement or reorganization under the *Bankruptcy and Insolvency Act*, *Winding-Up Act* or *Companies' Creditors Arrangement Act* is filed by or against the Debtor or if a receiver or receiver-manager is appointed for the Debtor or a substantial part of the Debtor's property;
- (g) an encumbrancer or any other party takes possession of a substantial part of the Debtor's property or any of the Collateral;
- (h) if the Debtor is a corporation, there is a change in its effective control without Hitachi's prior written consent;
- (i) the Collateral or any part thereof is seized forfeited or confiscated or otherwise attached by anyone pursuant to any legal process or other means;
- (j) Hitachi believes in good faith that the payment of the Obligations or the performance or observation of any covenant herein is impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Debtor or seized or otherwise attached by anyone pursuant to any legal process or otherwise; or
- (k) the Debtor dies or becomes mentally incompetent, if an individual, or is dissolved, amalgamated or is wound up if the Debtor is a corporation.

6.02 Remedies

1. Upon the occurrence of any Event of Default and at any time thereafter, Hitachi shall have, in addition to any right or remedy provided by law, the rights and remedies set out below, all of which rights and remedies shall be enforceable successively, concurrently and/or cumulatively and all of which may be exercised by Hitachi directly or through agents or nominees:
 - (a) any or all of the Obligations shall at the option of Hitachi become immediately due and payable or be subject to immediate performance, as the case may be, without further demand or notice, both of which are expressly waived; and the obligations, if any, of Hitachi to make further advances to the Debtor shall cease; and any or all security granted hereby shall, at the option of Hitachi, become immediately enforceable;
 - (b) Hitachi may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to Hitachi at such place or places as may be specified by Hitachi;
 - (c) Hitachi may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
 - (d) Hitachi may sell, lease or otherwise dispose of the Collateral at public auction, by private tender or by private sale either for cash or upon credit upon such terms and conditions as Hitachi may determine and without notice to the Debtor unless required by law; and
 - (e) Hitachi may retain the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law.
2. The Debtor further agrees with Hitachi that:
 - (a) Hitachi shall not be liable or responsible for any failure to seize, collect, realize, sell or obtain payment of the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment of the Collateral or for the purpose of preserving any rights of Hitachi, the Debtor or any other person in respect of the Collateral;
 - (b) Hitachi may grant extensions of time, take, abstain from taking and perfecting and give up security, accept compositions, grant releases and discharges, release any part of the Collateral and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as Hitachi may see fit without prejudice to the liability of the Debtor to Hitachi or Hitachi's rights hereunder;
 - (c) to facilitate the realization of the Collateral, Hitachi may enter upon, occupy and use all or any of the premises owned or occupied by the Debtor and use all or any of the equipment and other personal property of the Debtor for such time as Hitachi requires, free of charge, and Hitachi shall not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
 - (d) Hitachi may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured; and
 - (e) any proceeds of realization of the Collateral may be applied by Hitachi to the payment of reasonable costs, charges and expenses (including, without limiting the generality of the foregoing, legal, agent's and accounting fees and expenses (on a solicitor and its own client full-indemnity basis)) incurred in connection with the exercise of any of the rights, powers and remedies granted under this Agreement and any balance of such proceeds shall be applied by Hitachi to payment of the Obligations in such order as Hitachi may see fit; if there is any surplus remaining, it shall be paid to any person having a claim thereto in priority to the Debtor of whom Hitachi has knowledge and any balance remaining shall be paid to the Debtor; if the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid costs, charges and expenses, the Debtor shall be liable to pay any deficiency to Hitachi forthwith on demand.

ARTICLE SEVEN - GENERAL

- 7.01 **Benefit of the Agreement.** This Agreement shall be binding upon the heirs, executors, administrators, successors and permitted assigns of the Debtor and shall benefit the successors and assigns of Hitachi. If there is more than one Debtor named herein, the term "Debtor" shall mean all and each of them, their obligations under this Agreement shall be joint and several and the Obligations shall include those of all or any one of them. No Debtor shall have any right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations unless and until all of the Obligations have been paid or performed in full.
- 7.02 **Entire Agreement.** This Agreement, including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Debtor and Hitachi with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between Hitachi and the Debtor except as expressly set forth herein.
- 7.03 **No Waiver.** No delay or failure by Hitachi in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.
- 7.04 **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof

Initials: 

shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

7.05 Further Assurance. The Debtor will from time to time, at the request of Hitachi and at the expense of the Debtor, make, do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, things and assurances as Hitachi may deem necessary or desirable to perfect and preserve the security granted hereby and give effect to this Agreement. The Debtor hereby irrevocably appoints Hitachi as its attorney in fact to do all such acts and things, with full power of substitution, and the Debtor agrees to ratify and confirm all such acts of the said attorney lawfully done. The Debtor shall pay all costs for searches and filings in connection with the registration, perfection and continuation of the security granted hereunder.

7.06 Notices. Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, registered mail or by electronic means, addressed to the recipient as follows:

(a) To the Debtor: 96 Cartier Street (b) To Hitachi: 301-3390 South Service Road
Revelstoke, BC V0E 2S0 Burlington, Ontario, L7N 3J5

Fax No.: _____ Fax No: (905) 631-9388

or such other address, electronic communication number or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours and on the next business day if given after normal business hours on any day. If the party giving any communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication shall not be mailed but shall be given by personal delivery or by electronic communication.

7.07 Modification; Assignment. This Agreement may not be amended or modified in any respect except by written instrument signed by all parties. The rights of Hitachi under this Agreement may be assigned by Hitachi without the prior consent of the Debtor, free of any set-off, counterclaim or equities between the Debtor and Hitachi, and the Debtor shall not assert against any assignee of Hitachi any claim or defense that the Debtor has or may hereafter have against Hitachi. The Debtor may not assign its obligations under this Agreement.

7.08 Additional Continuing Security. This Agreement and the security interest, assignment, mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by Hitachi and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by Hitachi.


7.09 Discharge. The Debtor shall not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by Hitachi.

7.10 Governing Law. This Agreement shall, for the purpose of determining the validity and enforceability of Hitachi's security interest in the Collateral and its remedies upon a default, be governed by and construed in accordance with the laws of the jurisdiction where (i) the Debtor is located as of the date of this Agreement if the Collateral is inventory leased or held for lease to others or Collateral that is an intangible or Collateral that is normally used in more than one jurisdiction, and (ii) in all other cases, the laws of the jurisdiction where the Collateral is located. For all other purposes, this Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

7.11 Executed Copy and Waiver. The Debtor: (i) acknowledges receipt of a fully executed copy of this Agreement; and (ii) if the applicable Personal Property Security Act permits, waives all right to receive from Hitachi a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Agreement.

7.12 Loan Agreement. This Agreement is entered into in connection with the loan agreement between, *inter alios*, the Debtor, as a borrower and Hitachi, as lender, dated on or about the date hereof (the "Loan Agreement"), and is subject to the terms thereof. In the event of any conflict or inconsistency between the provisions of the Loan Agreement and this Agreement, the provisions of the Loan Agreement shall prevail to the extent necessary to remove the conflict, provided that a conflict or inconsistency shall not be deemed to exist only by reason of this Agreement providing of a matter and the Loan Agreement not providing for such matter.

[execution page follows]

Initials: 

WOOD-NOR CONSTRUCTION LTD.



Signature
James Hampton Director
Name and title (block letters)

Date
I have the authority to bind the corporation.



Signature
Lewis Hendrickson
Name and title (block letters)

Date
I have the authority to bind the corporation.

[Signature Page – General Security Agreement]

Initials: 



HITACHI CAPITAL CANADA CORP.
3390, South Service Road, Suite 104
Burlington (Ontario) L7N 3J5
Phone: 1-866-241-9021 Fax: 1-866-241-9022

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of the ____ of August, 2020, by GLACIER BUILDING SUPPLIES (1986) LTD. (the "Debtor"), issued in favor of HITACHI CAPITAL CANADA CORP. (hereinafter called "Hitachi").

WHEREAS Hitachi has agreed to extend credit to the Debtor;

AND WHEREAS the Debtor has agreed to grant, as general and continuing security for the payment and performance of all its obligations to Hitachi, the security interest and assignment, mortgage and charge granted herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the Debtor agrees with Hitachi as follows:

ARTICLE ONE - INTERPRETATION

1.01 Interpretation

1. In this Agreement, unless something in the subject matter or context is inconsistent therewith:
 - (a) "Agreement" means this agreement and all schedules to this Agreement, in each case as they may be amended or supplemented from time to time, and the terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement as a whole and not to any particular Article, Section or other portion hereof;
 - (b) "Collateral" has the meaning attributed thereto in Section 2.01, and any reference to "Collateral" shall be deemed a reference to "Collateral" or any part thereof;
 - (c) "Obligations" means all obligations of the Debtor to Hitachi including, without limiting the generality of the foregoing, all debts, liabilities, and indebtedness, present or future, direct or indirect, absolute or contingent, matured or not, whenever and howsoever incurred, in any currency at any time owing by the Debtor to Hitachi or remaining unpaid by the Debtor to Hitachi and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether arising from dealings between Hitachi and the Debtor or from other dealings or proceedings by which Hitachi may be or become in any manner whatsoever a creditor of the Debtor and wherever incurred and whether incurred by the Debtor alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses; and
 - (d) the terms "accounts", "chattel paper", "documents of title", "equipment", "inventory", "goods", "instruments", "money", "proceeds" and "securities" whenever used herein shall have the meaning given to those terms in the *Personal Property Security Act* of the relevant jurisdiction determined in Section 7.10, as amended, re-enacted or replaced from time to time.
2. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.
3. In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE TWO - GRANT OF SECURITY

- 2.01 Security. As general and continuing security for the payment and performance of the Obligations, the Debtor hereby grants, sells, assigns, conveys, transfers, mortgages, pledges and charges, as and by way of fixed and specific mortgage, pledge and charge to and in favour of Hitachi, and grants to Hitachi a security interest in, the whole of the undertaking of the Debtor and all of its property and assets, real and personal, movable and immovable, tangible and intangible, of every nature and kind whatsoever and wheresoever situate, both present and future, now or at any time and from time to time owned by the Debtor or in which or in respect of which the Debtor has any interest or rights of any kind, including without limitation, accounts, inventory, equipment, chattel paper, instruments, intangibles and documents of title (collectively, the "Collateral").

ARTICLE THREE - GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR

- 3.01 Representations and Warranties. The Debtor hereby represents and warrants to Hitachi that:
 - (a) the Debtor, if a corporation, is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation; the Debtor has the power, corporate or otherwise, to enter into this Agreement; this Agreement has been duly authorized by all necessary action, corporate or otherwise, on the part of the Debtor; this Agreement constitutes a legal and valid agreement binding upon the Debtor and enforceable in accordance with its terms; the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Debtor pursuant to, the articles, by-laws or other constating documents of the Debtor or any agreement, indenture or other instrument to which the Debtor is a party or by which the Debtor or any of its property may be bound or affected;
 - (b) all financial information provided by the Debtor to Hitachi is true, correct and complete; all financial statements of the Debtor have been prepared in accordance with Canadian generally accepted accounting principles consistently applied; there has been no material adverse change in the Debtor's financial condition since the date of the most recent financial statements provided to Hitachi;
 - (c) except as otherwise provided herein or disclosed in a schedule hereto, all of the Collateral is the sole property of the Debtor free from any liens, charges, security interests, encumbrances or any rights of others which rank prior to or *pari passu* with the security interest, assignment, mortgage and charge granted hereby; and

Initials :

- (d) the Debtor's principal place of business and the location of the office where it keeps its records is that given in Section 7.06 of this Agreement, except as otherwise provided herein or disclosed in any schedule hereto.

3.02 Covenants. The Debtor covenants with Hitachi that:

- (a) it shall ensure that the representations and warranties set forth in Section 3.01 are true and correct at all times;
- (b) it shall maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner;
- (c) it shall not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of Hitachi;
- (d) it shall defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests;
- (e) it shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to Hitachi, when required, the receipts and vouchers establishing such payment;
- (f) it shall furnish its financial statements to Hitachi within 120 days after the close of each fiscal year of the Debtor prepared in accordance with generally accepted accounting principles consistently applied and shall from time to time forthwith at the request of Hitachi furnish to Hitachi in writing all information requested relating to the Collateral, and Hitachi shall be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes Hitachi shall have access to all premises occupied by the Debtor or where the Collateral may be found;
- (g) it shall from time to time forthwith at the request of Hitachi execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by Hitachi to effectively carry out the full intent and meaning of this Agreement or to better evidence and perfect the security interest, assignment, mortgage and charge granted hereby, and the Debtor hereby irrevocably constitutes and appoints Hitachi, or any agent appointed by the court or Hitachi, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever Hitachi or any such agent may consider it to be necessary or expedient;
- (h) it shall not change its name or, if the Debtor is a corporation, shall not amalgamate with any other corporation without first giving notice to Hitachi of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective;
- (i) it shall pay to Hitachi forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all legal, agent's and accounting fees and expenses (on a solicitor and its own client full-indemnity basis)) incurred by or on behalf of Hitachi in connection with the preparation, execution, registration or amendment of this Agreement, the perfection or preservation of the security interest, assignment, mortgage and charge granted hereby and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder; and
- (j) it shall not change its principal place of business or the location of the office where it keeps its records or move any Collateral from the location specified in Section 3.01(d) without the prior written consent of Hitachi.

3.03 The Debtor will keep all equipment forming a part of the Collateral in good working order and condition, reasonable wear and tear excepted, and Hitachi may, whenever it deems it to be necessary, either in person or by agent, inspect any such equipment and make such repairs thereto as it deems are necessary, and the cost of such inspection and repairs shall be payable by the Debtor to Hitachi upon demand.

3.04 If the Collateral should at any time hereafter include securities, instruments, chattel paper and negotiable documents of title, the Debtor will, if requested by Hitachi, immediately deliver possession of such securities, instruments, chattel paper and negotiable documents of title to Hitachi and, if requested by Hitachi, will cause such securities included in the Collateral to be registered in Hitachi's name so that Hitachi may appear of record as the sole owner of such securities. Until the occurrence of an Event of Default, the Debtor shall be entitled to receive all distributions paid in respect of any securities included in the Collateral, shall be entitled to exercise all voting rights with respect to such securities and Hitachi will deliver to the Debtor or to a person designated by the Debtor, upon written request and upon receipt of payment of Hitachi's expenses in connection therewith, directions with respect to such distributions and a proxy vote to such securities. The Debtor waives all right to receive any such distribution and all other rights after the occurrence of an Event of Default. The Debtor agrees that no proxy issued by Hitachi to the Debtor or its order as aforesaid shall be effective from and after the occurrence of an Event of Default, and upon the occurrence of an Event of Default the Debtor shall immediately surrender any such proxy to Hitachi.

ARTICLE FOUR - INSURANCE

4.01 Insurance. The Debtor shall obtain and maintain, at its own expense, insurance against loss or damage to the Collateral including, without limiting the generality of the foregoing, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against, in amounts, in such form and with such insurers as shall be reasonably satisfactory to Hitachi. If any such policies of insurance contain a co-insurance clause, the Debtor shall either cause any such co-insurance clause to be waived or maintain at all times a sufficient amount of insurance to meet the requirements of any such co-insurance clause so as to prevent the Debtor from becoming a co-insurer under the terms of any such policy. All such policies shall name Hitachi as an additional insured and loss payee thereof, as Hitachi's interests may appear, and shall provide that the insurer will give Hitachi at least 10 days written notice of intended cancellation. At Hitachi's request, the Debtor shall furnish Hitachi with a copy of any policy of insurance and certificate of insurance or other evidence satisfactory to Hitachi that such insurance coverage is in effect. The Debtor shall give Hitachi notice of any damage to, or loss of, the Collateral forthwith upon the occurrence of any such damage or loss. Should the Debtor fail to make any payment or perform any other obligation provided in this Section, Hitachi shall have the right, but not the obligation, without notice or demand upon the Debtor and without releasing the Debtor from any obligation hereunder or waiving any rights to enforce this Agreement, to perform any or all of such obligations. The amount of all such payments made and all costs, fees and expenses incurred by Hitachi in performing such obligations shall be immediately due and payable by the Debtor.

ARTICLE FIVE - DEALING WITH COLLATERAL

5.01 Dealing with Collateral by the Debtor.

The Debtor shall not sell, lease or otherwise dispose of the Collateral without the prior written consent.

ARTICLE SIX - DEFAULT AND REMEDIES

6.01 Events of Default

The Debtor shall be in default under this Agreement upon the occurrence of any of the following events (herein referred to as an "Event of Default"):

Initials: 

- (a) the Debtor fails to pay to Hitachi all or any part of the Obligations when due;
- (b) the Debtor fails to observe or perform any covenant or obligation of the Debtor contained in this Agreement (other than a covenant or obligation specifically dealt with elsewhere in this Section 6.01);
- (c) any representation, warranty or statement made by the Debtor herein or in any document or certificate furnished at any time to Hitachi in connection herewith shall prove to be incorrect or misleading when made or furnished;
- (d) the Debtor or any guarantor of the Debtor is in default under any other agreement now existing or hereafter entered into with Hitachi or any assignee of Hitachi whether the Debtor is bound alone or with others;
- (e) the Debtor ceases or threatens to cease to carry on the business currently being carried on or sells or disposes of all or substantially all of its property;
- (f) the Debtor shall be an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or commits or threatens to commit any act of bankruptcy or if a petition in bankruptcy, any proposal, arrangement or reorganization under the *Bankruptcy and Insolvency Act*, *Winding-Up Act* or *Companies' Creditors Arrangement Act* is filed by or against the Debtor or if a receiver or receiver-manager is appointed for the Debtor or a substantial part of the Debtor's property;
- (g) an encumbrancer or any other party takes possession of a substantial part of the Debtor's property or any of the Collateral;
- (h) if the Debtor is a corporation, there is a change in its effective control without Hitachi's prior written consent;
- (i) the Collateral or any part thereof is seized forfeited or confiscated or otherwise attached by anyone pursuant to any legal process or other means;
- (j) Hitachi believes in good faith that the payment of the Obligations or the performance or observation of any covenant herein is impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Debtor or seized or otherwise attached by anyone pursuant to any legal process or otherwise; or
- (k) the Debtor dies or becomes mentally incompetent, if an individual, or is dissolved, amalgamated or is wound up if the Debtor is a corporation.

6.02 Remedies

1. Upon the occurrence of any Event of Default and at any time thereafter, Hitachi shall have, in addition to any right or remedy provided by law, the rights and remedies set out below, all of which rights and remedies shall be enforceable successively, concurrently and/or cumulatively and all of which may be exercised by Hitachi directly or through agents or nominees:
 - (a) any or all of the Obligations shall at the option of Hitachi become immediately due and payable or be subject to immediate performance, as the case may be, without further demand or notice, both of which are expressly waived; and the obligations, if any, of Hitachi to make further advances to the Debtor shall cease; and any or all security granted hereby shall, at the option of Hitachi, become immediately enforceable;
 - (b) Hitachi may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to Hitachi at such place or places as may be specified by Hitachi;
 - (c) Hitachi may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
 - (d) Hitachi may sell, lease or otherwise dispose of the Collateral at public auction, by private tender or by private sale either for cash or upon credit upon such terms and conditions as Hitachi may determine and without notice to the Debtor unless required by law; and
 - (e) Hitachi may retain the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law.
2. The Debtor further agrees with Hitachi that:
 - (a) Hitachi shall not be liable or responsible for any failure to seize, collect, realize, sell or obtain payment of the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment of the Collateral or for the purpose of preserving any rights of Hitachi, the Debtor or any other person in respect of the Collateral;
 - (b) Hitachi may grant extensions of time, take, abstain from taking and perfecting and give up security, accept compositions, grant releases and discharges, release any part of the Collateral and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as Hitachi may see fit without prejudice to the liability of the Debtor to Hitachi or Hitachi's rights hereunder;
 - (c) to facilitate the realization of the Collateral, Hitachi may enter upon, occupy and use all or any of the premises owned or occupied by the Debtor and use all or any of the equipment and other personal property of the Debtor for such time as Hitachi requires, free of charge, and Hitachi shall not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
 - (d) Hitachi may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured; and
 - (e) any proceeds of realization of the Collateral may be applied by Hitachi to the payment of reasonable costs, charges and expenses (including, without limiting the generality of the foregoing, legal, agent's and accounting fees and expenses (on a solicitor and its own client full-indemnity basis)) incurred in connection with the exercise of any of the rights, powers and remedies granted under this Agreement and any balance of such proceeds shall be applied by Hitachi to payment of the Obligations in such order as Hitachi may see fit; if there is any surplus remaining, it shall be paid to any person having a claim thereto in priority to the Debtor or whom Hitachi has knowledge and any balance remaining shall be paid to the Debtor; if the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid costs, charges and expenses, the Debtor shall be liable to pay any deficiency to Hitachi forthwith on demand.

ARTICLE SEVEN - GENERAL

- 7.01 **Benefit of the Agreement.** This Agreement shall be binding upon the heirs, executors, administrators, successors and permitted assigns of the Debtor and shall benefit the successors and assigns of Hitachi. If there is more than one Debtor named herein, the term "Debtor" shall mean all and each of them, their obligations under this Agreement shall be joint and several and the Obligations shall include those of all or any one of them. No Debtor shall have any right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations unless and until all of the Obligations have been paid or performed in full.
- 7.02 **Entire Agreement.** This Agreement, including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Debtor and Hitachi with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between Hitachi and the Debtor except as expressly set forth herein.
- 7.03 **No Waiver.** No delay or failure by Hitachi in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.
- 7.04 **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof

Initials: 

shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

7.05 **Further Assurance.** The Debtor will from time to time, at the request of Hitachi and at the expense of the Debtor, make, do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, things and assurances as Hitachi may deem necessary or desirable to perfect and preserve the security granted hereby and give effect to this Agreement. The Debtor hereby irrevocably appoints Hitachi as its attorney in fact to do all such acts and things, with full power of substitution, and the Debtor agrees to ratify and confirm all such acts of the said attorney lawfully done. The Debtor shall pay all costs for searches and filings in connection with the registration, perfection and continuation of the security granted hereunder.

7.06 **Notices.** Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, registered mail or by electronic means, addressed to the recipient as follows:

(a) To the Debtor:	96 Cartier Street Revelstoke, BC V0E 2S0	(b) To Hitachi:	301-3390 South Service Road Burlington, Ontario, L7N 3J5 (905) 631-9388
Fax No.:		Fax No.:	

or such other address, electronic communication number or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours and on the next business day if given after normal business hours on any day. If the party giving any communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication shall not be mailed but shall be given by personal delivery or by electronic communication.

7.07 **Modification; Assignment.** This Agreement may not be amended or modified in any respect except by written instrument signed by all parties. The rights of Hitachi under this Agreement may be assigned by Hitachi without the prior consent of the Debtor, free of any set-off, counterclaim or equities between the Debtor and Hitachi, and the Debtor shall not assert against any assignee of Hitachi any claim or defense that the Debtor has or may hereafter have against Hitachi. The Debtor may not assign its obligations under this Agreement.

7.08 **Additional Continuing Security.** This Agreement and the security interest, assignment, mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by Hitachi and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by Hitachi.

7.09 **Discharge.** The Debtor shall not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by Hitachi.

7.10 **Governing Law.** This Agreement shall, for the purpose of determining the validity and enforceability of Hitachi's security interest in the Collateral and its remedies upon a default, be governed by and construed in accordance with the laws of the jurisdiction where (i) the Debtor is located as of the date of this Agreement if the Collateral is inventory leased or held for lease to others or Collateral that is an intangible or Collateral that is normally used in more than one jurisdiction, and (ii) in all other cases, the laws of the jurisdiction where the Collateral is located. For all other purposes, this Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

7.11 **Executed Copy and Waiver.** The Debtor: (i) acknowledges receipt of a fully executed copy of this Agreement; and (ii) if the applicable Personal Property Security Act permits, waives all right to receive from Hitachi a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Agreement.

7.12 **Loan Agreement.** This Agreement is entered into in connection with the loan agreement between, *inter alios*, the Debtor, as a borrower and Hitachi, as lender, dated on or about the date hereof (the "Loan Agreement"), and is subject to the terms thereof. In the event of any conflict or inconsistency between the provisions of the Loan Agreement and this Agreement, the provisions of the Loan Agreement shall prevail to the extent necessary to remove the conflict, provided that a conflict or inconsistency shall not be deemed to exist only by reason of this Agreement providing of a matter and the Loan Agreement not providing for such matter.

[execution page follows]

Initials: 

GLACIER BUILDING SUPPLIES (1986) LTD.



Signature

James Hampton DARETOR
Name and title (block letters)



Signature

Lewis Hedrickson
Name and title (block letters)

Date

I have the authority to bind the corporation.

Date

I have the authority to bind the corporation.

[Signature Page – General Security Agreement]

Initials : 



HITACHI CAPITAL CANADA CORP.
3390, South Service Road, Suite 104
Burlington (Ontario) L7N 3J5
Phone: 1-866-241-9021 Fax: 1-866-241-9022

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made as of the ____ of August, 2020, by GLACIER BUILDING SUPPLIES LTD. (the "Debtor"), issued in favor of HITACHI CAPITAL CANADA CORP. (hereinafter called "Hitachi").

WHEREAS Hitachi has agreed to extend credit to the Debtor;

AND WHEREAS the Debtor has agreed to grant, as general and continuing security for the payment and performance of all its obligations to Hitachi, the security interest and assignment, mortgage and charge granted herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the Debtor agrees with Hitachi as follows:

ARTICLE ONE - INTERPRETATION

1.01 Interpretation

1. In this Agreement, unless something in the subject matter or context is inconsistent therewith:
 - (a) "Agreement" means this agreement and all schedules to this Agreement, in each case as they may be amended or supplemented from time to time, and the terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement as a whole and not to any particular Article, Section or other portion hereof;
 - (b) "Collateral" has the meaning attributed thereto in Section 2.01, and any reference to "Collateral" shall be deemed a reference to "Collateral" or any part thereof;
 - (c) "Obligations" means all obligations of the Debtor to Hitachi including, without limiting the generality of the foregoing, all debts, liabilities, and indebtedness, present or future, direct or indirect, absolute or contingent, matured or not, whenever and howsoever incurred, in any currency at any time owing by the Debtor to Hitachi or remaining unpaid by the Debtor to Hitachi and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether arising from dealings between Hitachi and the Debtor or from other dealings or proceedings by which Hitachi may be or become in any manner whatsoever a creditor of the Debtor and wherever incurred and whether incurred by the Debtor alone or with another or others and whether as principal or surety, including all interest, commissions, legal and other costs, charges and expenses; and
 - (d) the terms "accounts", "chattel paper", "documents of title", "equipment", "inventory", "goods", "instruments", "money", "proceeds" and "securities" whenever used herein shall have the meaning given to those terms in the *Personal Property Security Act* of the relevant jurisdiction determined in Section 7.10, as amended, re-enacted or replaced from time to time.
2. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.
3. In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE TWO - GRANT OF SECURITY

- 2.01 Security. As general and continuing security for the payment and performance of the Obligations, the Debtor hereby grants, sells, assigns, conveys, transfers, mortgages, pledges and charges, as and by way of fixed and specific mortgage, pledge and charge to and in favour of Hitachi, and grants to Hitachi a security interest in, the whole of the undertaking of the Debtor and all of its property and assets, real and personal, movable and immovable, tangible and intangible, of every nature and kind whatsoever and wheresoever situate, both present and future, now or at any time and from time to time owned by the Debtor or in which or in respect of which the Debtor has any interest or rights of any kind, including without limitation, accounts, inventory, equipment, chattel paper, instruments, intangibles and documents of title (collectively, the "Collateral").

ARTICLE THREE - GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR

- 3.01 Representations and Warranties. The Debtor hereby represents and warrants to Hitachi that:
 - (a) the Debtor, if a corporation, is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation; the Debtor has the power, corporate or otherwise, to enter into this Agreement; this Agreement has been duly authorized by all necessary action, corporate or otherwise, on the part of the Debtor; this Agreement constitutes a legal and valid agreement binding upon the Debtor and enforceable in accordance with its terms; the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Debtor pursuant to, the articles, by-laws or other constating documents of the Debtor or any agreement, indenture or other instrument to which the Debtor is a party or by which the Debtor or any of its property may be bound or affected;
 - (b) all financial information provided by the Debtor to Hitachi is true, correct and complete; all financial statements of the Debtor have been prepared in accordance with Canadian generally accepted accounting principles consistently applied; there has been no material adverse change in the Debtor's financial condition since the date of the most recent financial statements provided to Hitachi;
 - (c) except as otherwise provided herein or disclosed in a schedule hereto, all of the Collateral is the sole property of the Debtor free from any liens, charges, security interests, encumbrances or any rights of others which rank prior to or *pari passu* with the security interest, assignment, mortgage and charge granted hereby; and

Initials:

- (d) the Debtor's principal place of business and the location of the office where it keeps its records is that given in Section 7.06 of this Agreement, except as otherwise provided herein or disclosed in any schedule hereto.

3.02 Covenants. The Debtor covenants with Hitachi that:

- (a) it shall ensure that the representations and warranties set forth in Section 3.01 are true and correct at all times;
- (b) it shall maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner;
- (c) it shall not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of Hitachi;
- (d) it shall defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests;
- (e) it shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to Hitachi, when required, the receipts and vouchers establishing such payment;
- (f) it shall furnish its financial statements to Hitachi within 120 days after the close of each fiscal year of the Debtor prepared in accordance with generally accepted accounting principles consistently applied and shall from time to time forthwith at the request of Hitachi furnish to Hitachi in writing all information requested relating to the Collateral, and Hitachi shall be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes Hitachi shall have access to all premises occupied by the Debtor or where the Collateral may be found;
- (g) it shall from time to time forthwith at the request of Hitachi execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by Hitachi to effectively carry out the full intent and meaning of this Agreement or to better evidence and perfect the security interest, assignment, mortgage and charge granted hereby, and the Debtor hereby irrevocably constitutes and appoints Hitachi, or any agent appointed by the court or Hitachi, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever Hitachi or any such agent may consider it to be necessary or expedient;
- (h) it shall not change its name or, if the Debtor is a corporation, shall not amalgamate with any other corporation without first giving notice to Hitachi of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective;
- (i) it shall pay to Hitachi forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all legal, agent's and accounting fees and expenses (on a solicitor and its own client full-indemnity basis)) incurred by or on behalf of Hitachi in connection with the preparation, execution, registration or amendment of this Agreement, the perfection or preservation of the security interest, assignment, mortgage and charge granted hereby and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder; and
- (j) it shall not change its principal place of business or the location of the office where it keeps its records or move any Collateral from the location specified in Section 3.01(d) without the prior written consent of Hitachi.

3.03 The Debtor will keep all equipment forming a part of the Collateral in good working order and condition, reasonable wear and tear excepted, and Hitachi may, whenever it deems it to be necessary, either in person or by agent, inspect any such equipment and make such repairs thereto as it deems are necessary, and the cost of such inspection and repairs shall be payable by the Debtor to Hitachi upon demand.

3.04 If the Collateral should at any time hereafter include securities, instruments, chattel paper and negotiable documents of title, the Debtor will, if requested by Hitachi, immediately deliver possession of such securities, instruments, chattel paper and negotiable documents of title to Hitachi and, if requested by Hitachi, will cause such securities included in the Collateral to be registered in Hitachi's name so that Hitachi may appear of record as the sole owner of such securities. Until the occurrence of an Event of Default, the Debtor shall be entitled to receive all distributions paid in respect of any securities included in the Collateral, shall be entitled to exercise all voting rights with respect to such securities and Hitachi will deliver to the Debtor or to a person designated by the Debtor, upon written request and upon receipt of payment of Hitachi's expenses in connection therewith, directions with respect to such distributions and a proxy vote to such securities. The Debtor waives all right to receive any such distribution and all other rights after the occurrence of an Event of Default. The Debtor agrees that no proxy issued by Hitachi to the Debtor or its order as aforesaid shall be effective from and after the occurrence of an Event of Default, and upon the occurrence of an Event of Default the Debtor shall immediately surrender any such proxy to Hitachi.

ARTICLE FOUR - INSURANCE

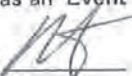
4.01 Insurance. The Debtor shall obtain and maintain, at its own expense, insurance against loss or damage to the Collateral including, without limiting the generality of the foregoing, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against, in amounts, in such form and with such insurers as shall be reasonably satisfactory to Hitachi. If any such policies of insurance contain a co-insurance clause, the Debtor shall either cause any such co-insurance clause to be waived or maintain at all times a sufficient amount of insurance to meet the requirements of any such co-insurance clause so as to prevent the Debtor from becoming a co-insurer under the terms of any such policy. All such policies shall name Hitachi as an additional insured and loss payee thereof, as Hitachi's interests may appear, and shall provide that the insurer will give Hitachi at least 10 days written notice of intended cancellation. At Hitachi's request, the Debtor shall furnish Hitachi with a copy of any policy of insurance and certificate of insurance or other evidence satisfactory to Hitachi that such insurance coverage is in effect. The Debtor shall give Hitachi notice of any damage to, or loss of, the Collateral forthwith upon the occurrence of any such damage or loss. Should the Debtor fail to make any payment or perform any other obligation provided in this Section, Hitachi shall have the right, but not the obligation, without notice or demand upon the Debtor and without releasing the Debtor from any obligation hereunder or waiving any rights to enforce this Agreement, to perform any or all of such obligations. The amount of all such payments made and all costs, fees and expenses incurred by Hitachi in performing such obligations shall be immediately due and payable by the Debtor.

ARTICLE FIVE - DEALING WITH COLLATERAL

5.01 Dealing with Collateral by the Debtor.
The Debtor shall not sell, lease or otherwise dispose of the Collateral without the prior written consent.

ARTICLE SIX - DEFAULT AND REMEDIES

6.01 Events of Default
The Debtor shall be in default under this Agreement upon the occurrence of any of the following events (herein referred to as an "Event of Default"):

Initials : 

- (a) the Debtor fails to pay to Hitachi all or any part of the Obligations when due;
- (b) the Debtor fails to observe or perform any covenant or obligation of the Debtor contained in this Agreement (other than a covenant or obligation specifically dealt with elsewhere in this Section 6.01);
- (c) any representation, warranty or statement made by the Debtor herein or in any document or certificate furnished at any time to Hitachi in connection herewith shall prove to be incorrect or misleading when made or furnished;
- (d) the Debtor or any guarantor of the Debtor is in default under any other agreement now existing or hereafter entered into with Hitachi or any assignee of Hitachi whether the Debtor is bound alone or with others;
- (e) the Debtor ceases or threatens to cease to carry on the business currently being carried on or sells or disposes of all or substantially all of its property;
- (f) the Debtor shall be an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or commits or threatens to commit any act of bankruptcy or if a petition in bankruptcy, any proposal, arrangement or reorganization under the *Bankruptcy and Insolvency Act*, *Winding-Up Act* or *Companies' Creditors Arrangement Act* is filed by or against the Debtor or if a receiver or receiver-manager is appointed for the Debtor or a substantial part of the Debtor's property;
- (g) an encumbrancer or any other party takes possession of a substantial part of the Debtor's property or any of the Collateral;
- (h) if the Debtor is a corporation, there is a change in its effective control without Hitachi's prior written consent;
- (i) the Collateral or any part thereof is seized forfeited or confiscated or otherwise attached by anyone pursuant to any legal process or other means;
- (j) Hitachi believes in good faith that the payment of the Obligations or the performance or observation of any covenant herein is impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Debtor or seized or otherwise attached by anyone pursuant to any legal process or otherwise; or
- (k) the Debtor dies or becomes mentally incompetent, if an individual, or is dissolved, amalgamated or is wound up if the Debtor is a corporation.

6.02 Remedies

1. Upon the occurrence of any Event of Default and at any time thereafter, Hitachi shall have, in addition to any right or remedy provided by law, the rights and remedies set out below, all of which rights and remedies shall be enforceable successively, concurrently and/or cumulatively and all of which may be exercised by Hitachi directly or through agents or nominees:
 - (a) any or all of the Obligations shall at the option of Hitachi become immediately due and payable or be subject to immediate performance, as the case may be, without further demand or notice, both of which are expressly waived; and the obligations, if any, of Hitachi to make further advances to the Debtor shall cease; and any or all security granted hereby shall, at the option of Hitachi, become immediately enforceable;
 - (b) Hitachi may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to Hitachi at such place or places as may be specified by Hitachi;
 - (c) Hitachi may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
 - (d) Hitachi may sell, lease or otherwise dispose of the Collateral at public auction, by private tender or by private sale either for cash or upon credit upon such terms and conditions as Hitachi may determine and without notice to the Debtor unless required by law; and
 - (e) Hitachi may retain the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law.
2. The Debtor further agrees with Hitachi that:
 - (a) Hitachi shall not be liable or responsible for any failure to seize, collect, realize, sell or obtain payment of the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment of the Collateral or for the purpose of preserving any rights of Hitachi, the Debtor or any other person in respect of the Collateral;
 - (b) Hitachi may grant extensions of time, take, abstain from taking and perfecting and give up security, accept compositions, grant releases and discharges, release any part of the Collateral and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as Hitachi may see fit without prejudice to the liability of the Debtor to Hitachi or Hitachi's rights hereunder;
 - (c) to facilitate the realization of the Collateral, Hitachi may enter upon, occupy and use all or any of the premises owned or occupied by the Debtor and use all or any of the equipment and other personal property of the Debtor for such time as Hitachi requires, free of charge, and Hitachi shall not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
 - (d) Hitachi may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured; and
 - (e) any proceeds of realization of the Collateral may be applied by Hitachi to the payment of reasonable costs, charges and expenses (including, without limiting the generality of the foregoing, legal, agent's and accounting fees and expenses (on a solicitor and its own client full-indemnity basis)) incurred in connection with the exercise of any of the rights, powers and remedies granted under this Agreement and any balance of such proceeds shall be applied by Hitachi to payment of the Obligations in such order as Hitachi may see fit; if there is any surplus remaining, it shall be paid to any person having a claim thereto in priority to the Debtor of whom Hitachi has knowledge and any balance remaining shall be paid to the Debtor; if the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid costs, charges and expenses, the Debtor shall be liable to pay any deficiency to Hitachi forthwith on demand.

ARTICLE SEVEN - GENERAL

- 7.01 **Benefit of the Agreement.** This Agreement shall be binding upon the heirs, executors, administrators, successors and permitted assigns of the Debtor and shall benefit the successors and assigns of Hitachi. If there is more than one Debtor named herein, the term "Debtor" shall mean all and each of them, their obligations under this Agreement shall be joint and several and the Obligations shall include those of all or any one of them. No Debtor shall have any right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations unless and until all of the Obligations have been paid or performed in full.
- 7.02 **Entire Agreement.** This Agreement, including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Debtor and Hitachi with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between Hitachi and the Debtor except as expressly set forth herein.
- 7.03 **No Waiver.** No delay or failure by Hitachi in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.
- 7.04 **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof

Initials: 

shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

7.05 Further Assurance. The Debtor will from time to time, at the request of Hitachi and at the expense of the Debtor, make, do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, things and assurances as Hitachi may deem necessary or desirable to perfect and preserve the security granted hereby and give effect to this Agreement. The Debtor hereby irrevocably appoints Hitachi as its attorney in fact to do all such acts and things, with full power of substitution, and the Debtor agrees to ratify and confirm all such acts of the said attorney lawfully done. The Debtor shall pay all costs for searches and filings in connection with the registration, perfection and continuation of the security granted hereunder.

7.06 Notices. Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, registered mail or by electronic means, addressed to the recipient as follows:

(a) To the Debtor: 96 Cartier Street Revelstoke, BC V0E 2S0 Fax No.: _____	(b) To Hitachi: 301-3390 South Service Road Burlington, Ontario, L7N 3J5 Fax No: (905) 631-9388
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or such other address, electronic communication number or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours and on the next business day if given after normal business hours on any day. If the party giving any communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication shall not be mailed but shall be given by personal delivery or by electronic communication.

7.07 Modification; Assignment. This Agreement may not be amended or modified in any respect except by written instrument signed by all parties. The rights of Hitachi under this Agreement may be assigned by Hitachi without the prior consent of the Debtor, free of any set-off, counterclaim or equities between the Debtor and Hitachi, and the Debtor shall not assert against any assignee of Hitachi any claim or defense that the Debtor has or may hereafter have against Hitachi. The Debtor may not assign its obligations under this Agreement.

7.08 Additional Continuing Security. This Agreement and the security interest, assignment, mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by Hitachi and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by Hitachi.

7.09 Discharge. The Debtor shall not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by Hitachi.

7.10 Governing Law. This Agreement shall, for the purpose of determining the validity and enforceability of Hitachi's security interest in the Collateral and its remedies upon a default, be governed by and construed in accordance with the laws of the jurisdiction where (i) the Debtor is located as of the date of this Agreement if the Collateral is inventory leased or held for lease to others or Collateral that is an intangible or Collateral that is normally used in more than one jurisdiction, and (ii) in all other cases, the laws of the jurisdiction where the Collateral is located. For all other purposes, this Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

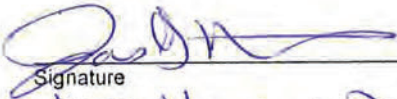
7.11 Executed Copy and Waiver. The Debtor: (i) acknowledges receipt of a fully executed copy of this Agreement; and (ii) if the applicable Personal Property Security Act permits, waives all right to receive from Hitachi a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Agreement.

7.12 Loan Agreement. This Agreement is entered into in connection with the loan agreement between, *inter alios*, the Debtor, as a borrower and Hitachi, as lender, dated on or about the date hereof (the "Loan Agreement"), and is subject to the terms thereof. In the event of any conflict or inconsistency between the provisions of the Loan Agreement and this Agreement, the provisions of the Loan Agreement shall prevail to the extent necessary to remove the conflict, provided that a conflict or inconsistency shall not be deemed to exist only by reason of this Agreement providing of a matter and the Loan Agreement not providing for such matter.

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Initials 

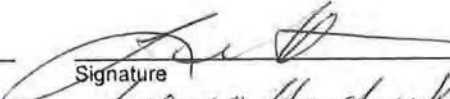
GLACIER BUILDING SUPPLIES LTD.



Signature

James Hampton Director
Name and title (block letters)

Date
I have the authority to bind the corporation.



Signature

Lewis Hendricks
Name and title (block letters)

Date
I have the authority to bind the corporation.

[Signature Page – General Security Agreement]

Initials : 

This is Exhibit “E” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A06928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

CONFIRMATION AND ACKNOWLEDGEMENT

TO: Hitachi Capital Canada Corp. ("**HCC**")

AND TO: MLT Aikins LLP

Dated: April 1, 2021

WHEREAS HCC entered into a secured revolving credit agreement dated August 21, 2020 (the "**Existing Loan Agreement**") amongst Vic Van Isle Construction Ltd. (the "**Predecessor Vic Van Isle**"), VVI Construction Ltd. ("**VVI**"), Lortap Enterprises Ltd. ("**Lortap**") and Glacier Building Supplies Ltd. ("**GBS**"), as borrowers, Five Star Management Ltd. ("**Five Star**"), Glacier Building Supplies (1986) Ltd. ("**GBS 1986**") and Wood-Nor Construction Ltd. ("**Wood-Nor**"), as corporate guarantors, Kenneth Lewis Hendrickson ("**Hendrickson**"), Bruce Walker ("**Walker**") and Jamie Gordon Hampton ("**Hampton**" and, collectively with VVI, Lortap, Hendrickson and Walker, the "**Non-Amalco Parties**" and each, a "**Non-Amalco Party**"), as individual guarantors, and HCC, as lender, which Existing Loan Agreement was amended by an amending agreement to the loan agreement dated March 18, 2021 (the "**Amending Agreement**" and the Existing Loan Agreement as amended by the Amending Agreement, the "**Loan Agreement**");

AND WHEREAS the Predecessor Vic Van Isle granted and issued certain Loan Documents to and in favour of HCC, including, without limitation, the documents described in Schedule "A" attached hereto (collectively, the "**Predecessor Vic Van Isle Security**");

AND WHEREAS GBS granted and issued certain Loan Documents to and in favour of HCC, including, without limitation, the documents described in Schedule "B" attached hereto (collectively, the "**GBS Security**");

AND WHEREAS Five Star guaranteed the loans under the Loan Agreement and granted and issued certain Loan Documents to and in favour of HCC, including, without limitation, the documents described in Schedule "C" attached hereto (the "**Five Star Security**");

AND WHEREAS GBS 1986 guaranteed the loans under the Loan Agreement and granted and issued certain Loan Documents to and in favour of HCC, including, without limitation, the documents described in Schedule "D" attached hereto (the "**GBS 1986 Security**");

AND WHEREAS Wood-Nor guaranteed the loans under the Loan Agreement and granted and issued certain Loan Documents to and in favour of HCC, including, without limitation, the documents described in Schedule "E" attached hereto (the "**Wood-Nor Security**" and, collectively with the Predecessor Vic Van Isle Security, the GBS Security, the Five Star Security and the GBS 1986 Security, the "**Amalco Security**");

AND WHEREAS VVI granted and issued certain Loan Documents to and in favour of HCC, including, without limitation, the documents described in Schedule "F" attached hereto (collectively, the "**VVI Security**");

AND WHEREAS Lortap granted and issued certain Loan Documents to and in favour of HCC, including, without limitation, the documents described in Schedule "G" attached hereto (collectively, the "**Lortap Security**");

AND WHEREAS Hendrickson, Walker and Hampton each guaranteed the loans under the Loan Agreement and granted and issued certain Loan Documents to and in favour of HCC, including, without limitation, the documents described in Schedule "H" attached hereto (the "**Hendrickson, Walker and Hampton Security**" and, collectively with the VVI Security and the Lortap Security, the "**Other Security**");

AND WHEREAS effective April 1, 2021, Five Star, the Predecessor Vic Van Isle, Wood-Nor, GBS 1986 and GBS amalgamated under the laws of the Province of British Columbia to form Vic Van Isle Construction Ltd. ("**Amalco**"), as successor corporation by amalgamation (the "**Amalgamation**");

AND WHEREAS under the terms of the Loan Agreement, Amalco has agreed to provide this Confirmation and Acknowledgement to HCC to confirm, among other things, that: (i) the Loan Agreement, the Amalco Security and the other Loan Documents (including, without limitation, any guarantees) to which Five Star, the Predecessor Vic Van Isle, Wood-Nor, GBS 1986 and GBS are a party to prior to the completion of the Amalgamation (collectively, the "**Amalco Documents**") continue to be enforceable against Amalco following the completion of the Amalgamation; and (ii) the Loan Agreement, the Other Security and the other Loan Documents (including, without limitation, any guarantees) to which each Non-Amalco Party is a party to prior to the completion of the Amalgamation (collectively, the "**Other Documents**") continue to be enforceable against each Non-Amalco Party and in connection with Amalco.

NOW THEREFORE for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Amalco, VVI, Lortap, Hendrickson, Walker and Hampton each acknowledges and agrees with HCC and confirms its express intention as follows:

1. Capitalized terms used in this Confirmation and Acknowledgement and not otherwise defined shall have the meanings ascribed to such terms in the Loan Agreement.
2. Amalco ratifies, confirms and reaffirms each and every covenant, agreement, term and provision of each of the Amalco Documents, and acknowledges and agrees that the Amalco Documents remain, and will continue to remain, in full force and effect, enforceable against Amalco.
3. The Amalco Security continues to secure any and all present and future indebtedness, liabilities and obligations of Amalco to HCC (including without limitation all indebtedness, liabilities and obligations of Five Star, the Predecessor Vic Van Isle, Wood-Nor, GBS and GBS 1986 to HCC) and the mortgages, charges, security interests, assignments and pledges constituted by the Amalco Security extend to and mortgage, charge, grant a security interest in, assign and pledge all present and after-acquired property, assets and undertakings of Amalco, including without limitation all property, assets and undertakings of Five Star, the Predecessor Vic Van Isle, Wood-Nor, GBS and GBS 1986.
4. Amalco has assumed all rights and all of the indebtedness, liabilities and obligations of Five Star, the Predecessor Vic Van Isle, Wood-Nor, GBS and GBS 1986 (and each of them) under the Amalco Documents.
5. Each Non-Amalco Party ratifies, confirms and reaffirms each and every covenant, agreement, term and provision of each of the Other Documents, and acknowledges and agrees that the Other


Documents remain, and will continue to remain, in full force and effect, enforceable against each Non-Amalco Party and in connection with Amalco.


6. The Other Security continues to secure any and all present and future indebtedness, liabilities and obligations of each Non-Amalco Party to HCC and the mortgages, charges, security interests, assignments and pledges constituted by the Other Security extend to and mortgage, charge, grant a security interest in, assign and pledge all present and after-acquired property, assets and undertakings of each Non-Amalco Party.
7. Each of the undersigned agrees to do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, every such further act, deed, document, agreement, certificate or opinion that HCC may reasonably require in order to give effect to this Confirmation and Acknowledgement.
8. This Confirmation and Acknowledgement shall enure to the benefit of HCC and be binding upon Amalco and each Non-Amalco Party and each of their respective successors and assigns.
9. The parties agree that this Confirmation and Acknowledgement is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of British Columbia and federal laws of Canada applicable therein.

[Signature page follows]

DATED as of the date first written above.

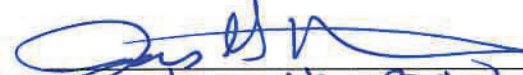
VIC VAN ISLE CONSTRUCTION LTD.

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT

Per: 
Name: JAMES HAMPTON
Title: D.irector

VVI CONSTRUCTION LTD.

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT

Per: 
Name: JAMES HAMPTON
Title: Director

LORTAP ENTERPRISES LTD.

Per: 
Name: LEWIS HENDRICKSON
Title: PRESIDENT

Per: 
Name: JAMES HAMPTON
Title: Director


Name: Kenneth Lewis Hendickson

Name: Bruce Walker


Name: Jamie Gordon Hampton

[Signature page to Confirmation and Acknowledgment]

DATED as of the date first written above.

VIC VAN ISLE CONSTRUCTION LTD.

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

VVI CONSTRUCTION LTD.

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

LORTAP ENTERPRISES LTD.

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

Name: Kenneth Lewis Hendickson

Name: Bruce Walker

Name: Jamie Gordon Hampton

[Signature page to Confirmation and Acknowledgment]

SCHEDULE "A"

The documents previously granted by the Predecessor Vic Van Isle to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by the Predecessor Vic Van Isle in favour of HCC
2. Guarantee dated August 21, 2020 granted by the Predecessor Vic Van Isle in favour of HCC
3. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, VVI, Lortap and GBS
4. Blocked Account Agreement dated August 21, 2020 amongst Bank of Montreal, the Predecessor Vic Van Isle and HCC
5. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, VVI and Lortap in favour of HCC
6. Priority Agreement dated August 21, 2020 amongst Business Development Bank of Canada, HCC, VVI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986 and Wood-Nor
7. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, VVI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star
8. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, VVI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "B"

The documents previously granted by GBS to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by GBS in favour of HCC
2. Guarantee dated August 21, 2020 granted by GBS in favour of HCC
3. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, VVI, Lortap and GBS
4. Blocked Account Agreement dated August 21, 2020 amongst Bank of Montreal, GBS and HCC
5. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, VVI and Lortap in favour of HCC
6. Priority Agreement dated August 21, 2020 amongst Business Development Bank of Canada, HCC, VVI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986 and Wood-Nor
7. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, VVI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star

8. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, VVI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "C"

The documents previously granted by Five Star to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by Five Star in favour of HCC
2. Guarantee dated August 21, 2020 granted by Five Star in favour of HCC
3. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, VVI, Lortap and GBS
4. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, VVI and Lortap in favour of HCC
5. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, VVI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star
6. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, VVI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "D"

The documents previously granted by GBS 1986 to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by GBS 1986 in favour of HCC
2. Mortgage in the principal amount of \$6M granted by GBS 1986 in favour of HCC
3. Guarantee dated August 21, 2020 granted by GBS 1986 in favour of HCC
4. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, VVI, Lortap and GBS
5. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, VVI and Lortap in favour of HCC
6. Environmental Indemnity dated August 21, 2020 granted by GBS 1986 in favour of HCC
7. Priority Agreement dated August 21, 2020 amongst Business Development Bank of Canada, HCC, VVI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986 and Wood-Nor
8. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, VVI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star
9. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, VVI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "E"

The documents previously granted by Wood-Nor to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by Wood-Nor in favour of HCC
2. Guarantee dated August 21, 2020 granted by Wood-Nor in favour of HCC
3. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, VVI, Lortap and GBS
4. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, VVI and Lortap in favour of HCC
5. Priority Agreement dated August 21, 2020 amongst Business Development Bank of Canada, HCC, VVI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986 and Wood-Nor
6. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, VVI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star
7. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, VVI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "F"

The documents previously granted by VVI to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by VVI in favour of HCC
2. Guarantee dated August 21, 2020 granted by VVI in favour of HCC
3. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, VVI, Lortap and GBS
4. Blocked Account Agreement dated August 21, 2020 amongst Bank of Montreal, VVI and HCC
5. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, VVI and Lortap in favour of HCC
6. Priority Agreement dated August 21, 2020 amongst Business Development Bank of Canada, HCC, VVI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986 and Wood-Nor
7. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, VVI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star
8. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, VVI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "G"

The documents previously granted by Lortap to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by Lortap in favour of HCC
2. Guarantee dated August 21, 2020 granted by Lortap in favour of HCC
3. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, VVI, Lortap and GBS
4. Blocked Account Agreement dated August 21, 2020 amongst Bank of Montreal, Lortap and HCC
5. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, VVI and Lortap in favour of HCC
6. Priority Agreement dated August 21, 2020 amongst Business Development Bank of Canada, HCC, VVI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986 and Wood-Nor
7. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, VVI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star
8. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, VVI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "H"

The documents previously granted by Hendrickson, Walker and Hampton to HCC are as follows:

1. Guarantee dated August 21, 2020 granted by Hendrickson in favour of HCC
2. Guarantee dated August 21, 2020 granted by Walker in favour of HCC
3. Guarantee dated August 21, 2020 granted by Hampton in favour of HCC
4. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, VVI, Lortap and GBS
5. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, VVI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton
6. Guarantee dated March 18, 2021 granted by Hendrickson in favour of HCC
7. Guarantee dated March 18, 2021 granted by Walker in favour of HCC
8. Guarantee dated March 18, 2021 granted by Hampton in favour of HCC

This is Exhibit “F” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "Vic Van Isle Construction Ltd"

Search Date and Time: November 9, 2022 at 10:41:06 am Pacific time
Account Name: MILLER THOMSON LLP
Folio Number: 0267850.0001

TABLE OF CONTENTS

12 Matches in 12 Registrations in
Report

Exact Matches: 12 (*)

Total Search Report Pages: 41

	Base Registration	Base Registration Date	Debtor Name	Page
1	973662K	August 21, 2018	* VIC VAN ISLE CONSTRUCTION LTD.	3
2	273137L	January 21, 2019	* VIC VAN ISLE CONSTRUCTION LTD	6
3	741153L	September 3, 2019	* VIC VAN ISLE CONSTRUCTION LTD	8
4	163921M	April 9, 2020	* VIC VAN ISLE CONSTRUCTION LTD	10
5	398840M	August 12, 2020	* VIC VAN ISLE CONSTRUCTION LTD	12
6	686343M	January 4, 2021	* VIC VAN ISLE CONSTRUCTION LTD.	27
7	713180M	January 18, 2021	* VIC VAN ISLE CONSTRUCTION LTD.	29
8	606691N	March 18, 2022	* VIC VAN ISLE CONSTRUCTION LTD.	31



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

9	621722N	March 25, 2022	* VIC VAN ISLE CONSTRUCTION LTD.	33
10	919856N	August 15, 2022	* VIC VAN ISLE CONSTRUCTION LTD.	36
11	160993P	October 25, 2022	* VIC VAN ISLE CONSTRUCTION LTD.	38
12	173024P	October 31, 2022	* VIC VAN ISLE CONSTRUCTION LTD.	40





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 973662K

DISCHARGED

Registration Type: PPSA SECURITY AGREEMENT
Base Registration Date and Time: August 21, 2018 at 9:47:09 am Pacific time
Discharge Date and Time: October 11, 2022 at 10:45:18 am Pacific time
Current Expiry Date and Time: August 21, 2023 at 11:59:59 pm Pacific time
 Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of November 9, 2022 at 10:41:06 am Pacific time)

Secured Party Information

OCEAN PARK FORD SALES LTD **Address**
 3050 KING GEORGE HWY,
 SURREY BC
 V4P 1A2 Canada

Debtor Information

VIC VAN ISLE CONSTRUCTION LTD. **Address**
 96 CARTIER ST.
 REVELSTOKE BC
 V0E 2S0 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2018	FORD / F150	1FTEW1EG4JFC96915



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

None.

Original Registering Party

OCEAN PARK FORD SALES LTD

Address

3050 KING GEORGE HWY,
SURREY BC
V4P 1A2 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

HISTORY

(Showing most recent first)

TOTAL DISCHARGE

Registration Date and Time: October 11, 2022 at 10:45:18 am Pacific time
Registration Number: 133402P

Registering Party Information

OCEAN PARK FORD SALES LTD. **Address**
3050 KING GEORGE HIGHWAY
SURREY BC
V4P 1A2 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 273137L

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	January 21, 2019 at 10:45:51 am Pacific time
Current Expiry Date and Time:	January 21, 2023 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of November 9, 2022 at 10:41:06 am Pacific time)

Secured Party Information

OCEAN PARK FORD SALES LTD	Address
	3050 KING GEORGE HWY, SURREY BC V4P 1A2 Canada

Debtor Information

VIC VAN ISLE CONSTRUCTION LTD	Address
	96 CARTIER ST PO BOX 2988 REVELSTOKE BC V0E 2S0 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2019	FORD / F-350	1FT8W3BT1KEC26676

General Collateral

None.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

OCEAN PARK FORD SALES LTD

Address

3050 KING GEORGE HWY,
SURREY BC
V4P 1A2 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 741153L

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	September 3, 2019 at 2:16:46 pm Pacific time
Current Expiry Date and Time:	September 3, 2023 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of November 9, 2022 at 10:41:06 am Pacific time)

Secured Party Information

OCEAN PARK FORD SALES LTD

Address

3050 KING GEORGE HWY,
SURREY BC
V4P 1A2 Canada

Debtor Information

VIC VAN ISLE CONSTRUCTION LTD

Address

96 CARTIER ST PO BOX 2988
REVELSTOKE BC
V0E 2S0 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2019	FORD / F-350	1FT8W3BT5KEF99087

General Collateral

None.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

OCEAN PARK FORD SALES LTD

Address

3050 KING GEORGE HWY,
SURREY BC
V4P 1A2 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 163921M

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	April 9, 2020 at 6:36:18 pm Pacific time
Current Expiry Date and Time:	April 9, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of November 9, 2022 at 10:41:06 am Pacific time)

Secured Party Information

OCEAN PARK FORD SALES LTD

Address

3050 KING GEORGE HWY,
SURREY BC
V4P 1A2 Canada

Debtor Information

VIC VAN ISLE CONSTRUCTION LTD

Address

96 CARTIER ST PO BOX 2988
REVELSTOKE BC
V0E 2S0 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2019	FORD / F-350	1FT8W3BT8KEF86785

General Collateral

None.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

OCEAN PARK FORD SALES LTD

Address

3050 KING GEORGE HWY,
SURREY BC
V4P 1A2 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 398840M

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	August 12, 2020 at 2:00:13 pm Pacific time
Current Expiry Date and Time:	August 12, 2030 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of November 9, 2022 at 10:41:06 am Pacific time)

Secured Party Information

**HITACHI CAPITAL CANADA
CORP**

Address

SUITE 301, 3390 S. SERVICE RD.
BURLINGTON ON
L7N 3J5 Canada

**MITSUBISHI HC CAPITAL
CANADA, INC.**

Address

40 KING STREET
SCOTIA PLAZA 2100
TORONTO ON
M5H 3C2 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Debtor Information

VIC VAN ISLE CONSTRUCTION LTD

Address

96 CARTIER STREET
REVELSTOKE BC
V0E 2S0 Canada

VVI CONSTRUCTION LTD

Address

96 CARTIER STREET
REVELSTOKE BC
V0E 2S0 Canada

LORTAP ENTERPRISES LTD

Address

96 CARTIER STREET
REVELSTOKE BC
V0E 2S0 Canada

GLACIER BUILDING SUPPLIES LTD

Address

96 CARTIER STREET
REVELSTOKE BC
V0E 2S0 Canada

FIVE STAR MANAGEMENT LTD

Address

119, CAMPBELL AVENUE
REVELSTOKE BC
V6A 3V2 Canada

GLACIER BUILDING SUPPLIES (1986) LTD

Address

119, CAMPBELL AVENUE
REVELSTOKE BC
V6A 3V2 Canada

WOOD-NOR CONSTRUCTION LTD

Address

119, CAMPBELL AVENUE
REVELSTOKE BC
V6A 3V2 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2006	DOOSAN / G25E, FORKLIFT	E-398343
Motor Vehicle (MV)	2005	MANTIS 6010 CRAWLER CRANE / -	60-154
Motor Vehicle (MV)	2010	CATERPILLAR / 320DL-E	CAT0320DVDFB00535
Motor Vehicle (MV)	2007	HITACHI / ZX200LC-3	HCM1U100A00219369
Motor Vehicle (MV)	2014	JOHN DEERE / 624K LOADER	1DW624KTVEF661885
Motor Vehicle (MV)	1999	JOHN DEERE / 624H LOADER	DW624HX573934
Motor Vehicle (MV)	2005	JOHN DEERE / 544J LOADER	DW544JP599132
Motor Vehicle (MV)	2000	KOMATSU / WA250-3L LOADER	A70556
Motor Vehicle (MV)	2019	CATERPILLAR / 262D SKIDSTEE	CAT0262DTDTB09575
Motor Vehicle (MV)	2005	CATERPILLAR / 262B SKIDSTEE	CAT0262BPPDT01963
Motor Vehicle (MV)	2003	CATERPILLAR / 252 SKIDSTEER	CAT00252HFDG01573
Motor Vehicle (MV)	2012	CATERPILLAR / TL1255 4X4	TBN01026
Motor Vehicle (MV)	2012	JLG / 10054 4X4 TELEHANDLER	0160046679
Motor Vehicle (MV)	2008	GRADALL 544D-10 4X4 / -	0160032663
Motor Vehicle (MV)	2008	GRADALL 544D-10 4X4 / -	0160032696
Motor Vehicle (MV)	2007	GRADALL 544D-10 4X4 / -	0160031035
Motor Vehicle (MV)	2003	GRADALL 544D-10 4X4 / -	0160002306



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Motor Vehicle (MV)	2001	GENIE / S125 4X4 BOOM LIFT	S125-347
Motor Vehicle (MV)	2006	GENIE / S-85 4X4 BOOM LIFT	S8006-4942
Motor Vehicle (MV)	2004	GENIE / S-85 4X4 BOOM LIFT	S8004-3760
Motor Vehicle (MV)	2007	JLG / 600S 4X4 BOOM LIFT	0300105543
Motor Vehicle (MV)	2013	GENIE / Z45/25J 4X4 LIFT	Z452513A-47333
Motor Vehicle (MV)	2011	GENIE / Z45/25J 4X4 LIFT	Z452511A-40109
Motor Vehicle (MV)	2007	SKYJACK SJ7135 LIFT / -	343730
Motor Vehicle (MV)	2018	CATERPILLAR / GP25N FORKLIF	AT35A06004
Motor Vehicle (MV)	2008	TOYOTA / 8FGU30 FORKLIFT	13483
Motor Vehicle (MV)	2002	TOYOTA / 7FGU35 FORKLIFT	60439
Motor Vehicle (MV)	2009	PETERBILT / 387 TRACTOR	1XP7D49X29D784745
Motor Vehicle (MV)	1988	WESTERN STAR / 4900 TRACTOR	2WLPDCCH8JK920218
Motor Vehicle (MV)	2008	KENWORTH / T800 TRUCK	1NKDL40X88J935347
Motor Vehicle (MV)	2006	PETERBILT / 335 TRUCK	2NPLLZ0X46M633577
Motor Vehicle (MV)	2006	STERLING / L9500 TRUCK	2FZHAZCV36AV32550
Motor Vehicle (MV)	2013	HINO / 338 VAN TRUCK	2AYNF8JT8D3S13278
Motor Vehicle (MV)	2006	KENWORTH / T300 TRUCK	2NKMHZ7H66M988308
Motor Vehicle (MV)	2012	INTERNATIONAL DURASTAR / -	1HTJSSKXCH614247
Motor Vehicle (MV)	2020	FORD / F350 PLATINUM TRUCK	1FT8W3BT6LEC15089



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Motor Vehicle (MV)	2019	FORD / F350 XLT TRUCK	1FT8W3BT8KEF86785
Motor Vehicle (MV)	2012	FORD / F350 LARIAT TRUCK	1FT8W3BT1CEB56100
Motor Vehicle (MV)	2008	FORD / F350 XLT TRUCK	1FTWX31R38EA92305
Motor Vehicle (MV)	2015	FORD / F250 XLT TRUCK	1FT7W2B61FEB97721
Motor Vehicle (MV)	2015	FORD / F250 XLT TRUCK	1FT7W2B65FEB84566
Motor Vehicle (MV)	2014	FORD / F250 XLT TRUCK	1FT7W2B68EEA36779
Motor Vehicle (MV)	2011	FORD / F250 XL TRUCK	1FT8W3B63BEB34544
Motor Vehicle (MV)	2008	FORD / F250 XLT TRUCK	1FTNF21538ED62400
Motor Vehicle (MV)	2013	CHEVROLET / EXPRESS AWD VAN	1GNSHBF47D1147852
Trailer (TR)	2016	LODE KING / TRAILER	2LDS5337GE061689
Trailer (TR)	2019	LOAD TRAIL 16' TRAILER / -	4ZEDT1632K1178887
Motor Vehicle (MV)	2012	WACKER / NEUSON E3000ES	20118169
Motor Vehicle (MV)	2008	TEREX / T120P GENERATOR	T12008-000202
Motor Vehicle (MV)	2013	WACKER / NEUSON G70	20149363
Motor Vehicle (MV)	2005	SUNRISE FABMASTER IW-88SD / -	359304
Motor Vehicle (MV)	2001	POWER CURBERS 5700B 02 / -	0120291
Motor Vehicle (MV)	2016	SCM STEFANI MD AM / -	AH/006381
Motor Vehicle (MV)	2017	GANNOMAT INDEX 471L130 / -	770,731
Motor Vehicle (MV)	2018	GANNOMAT CONCEPT 70 ECO / -	711.823



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTORS AND ALL PROCEEDS THEREOF. PROCEEDS: ALL GOODS, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES OR MONEY NOW OR HEREAFTER FORMING PROCEEDS OF THE FOREGOING COLLATERAL. TERMS USED IN THIS GENERAL COLLATERAL ,DESCRIPTION WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA) SHALL HAVE THE MEANINGS SPECIFIED IN THE ACT, UNLESS THE CONTEXT OTHERWISE INDICATES. . THE FULL ADDRESS OF THE DEBTORS NO. 5 TO 7 IS: 119, CAMPBELL AVENUE, P.O. BOX 2490, REVELSTOKE, BC, V6A 3V2. . 1 UNIT L102, 2016, SCM, STEFANI MD AM, CNC EDGEBANDER, SERIAL NO. AH/006381 2 UNIT L104, 2016, MORBIDELLI, AUTHOR M400 CELL, CNC MACHINING ,CENTER, SERIAL NO. AA2/003780 3 UNIT L103, 2004, MORBIDELLI, AUTHOR 430S, CNC MACHINING CENTER, SERIAL NO. AL/007336 4 UNIT L101, HOLZHER, 6210 CUT 85, CNC PANEL SAW, SERIAL NO. 425/0-507 5004192 ,5 UNIT L105, ACCU-SYSTEMS, HPJ4, CNC DOWEL MACHINE, SERIAL # NVSN 6 UNIT L106, 2017, GANNOMAT, INDEX 471L130, CNC DOWEL MACHINE, SERIAL NO. 770,731 7 UNIT L107, 2006, HOFER, KOPTRONIK, CASE CLAMP, SERIAL NO. 998 8 UNIT L108, 2018, GANNOMAT, CONCEPT 70 ECO, CASE CLAMP, SERIAL NO. 711.823 9 2013, SCM, OLIMPIC K230, EDGEBANDER, SERIAL NO. AB217085 10 UNIT L207, 2010, CAPTIVEAIRE, A5-D.2000-95, MAKE UP AIR SYSTEM, SERIAL NO. NVSN 11 UNIT L208, 2016, NEDERMAN, NFP-S1000, DUST COLLECTOR, SERIAL NO. NVSN 12 UNIT L209, 2016, NEDERMAN, NFP-S1000, DUST COLLECTOR, SERIAL NO. NVSN 13 UNIT L210, DUST COLLECTOR, SERIAL NO. NVSN 14 UNIT L402, 1983, WEINIG, U 17 A, MOULDER, SERIAL NO. 1383-2892 ,15 UNIT L404, 2004, DMC, TECHNOSAND K TCK 1350 M3, AUTOMATIC BELT SANDER, SERIAL NO. SA/005088 16 UNIT L407, 2001, CANTEK, HB-900HA, BAND RESAW, SERIAL NO. 11229 17 2014, CANTEK, CANJDT75, AUTOMATIC DOVETAILER, SERIAL NO. 1405054 18 UNIT L116, 1999, ITALPRESSE, IDEAL, COLD PRESS, SERIAL NO. NVSN ,19 2005, TOPCON, HIPER V, DUAL-FREQUENCY GPS, SERIAL #1122-14879 20 UNIT 747, BRITCO 24X40 DOUBLE WIDE PORTABLE OFFICE, SERIAL NO. NVSN

Original Registering Party

MLT AIKINS LLP

Address

2600 - 1066 WEST HASTINGS ST
VANCOUVER BC
V6E 3X1 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

HISTORY

(Showing most recent first)

AMENDMENT

Registration Date and Time: November 9, 2022 at 10:34:45 am Pacific time
Registration Number: 191179P
Description:

Secured Party Information

**MITSUBISHI HC CAPITAL
CANADA, INC.**

ADDED

Address

40 KING STREET
SCOTIA PLAZA 2100
TORONTO ON
M5H 3C2 Canada

Registering Party Information

MILLER THOMSON LLP

Address

700 WEST GEORGIA STREET
SUITE 2200
VANCOUVER BC
V7Y 1K8 Canada

AMENDMENT

Registration Date and Time: October 22, 2021 at 11:36:19 am Pacific time
Registration Number: 322537N
Description: PARTIAL DISCHARGE SPECIFIC EQUIPMENT



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV) DELETED	2018	CATERPILLAR / GP25N FORKLIF	AT35A05918
Motor Vehicle (MV) DELETED	2014	MITSUBISHI / FG50CN1	AF29D90103
Motor Vehicle (MV) DELETED	2014	MITSUBISHI / FG50CN1	AF29D90117

Registering Party Information

PPSA CANADA INC. - (7945)

Address

110 SHEPPARD AVE EAST # 303
TORONTO ON
M2N 6Y8 Canada

AMENDMENT

Registration Date and Time: June 16, 2021 at 11:08:20 am Pacific time
Registration Number: 046285N
Description: PARTIAL DISCHARGE

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV) DELETED	2008	CATERPILLAR / GP45K-LP2	AT29C90431



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Registering Party Information

**HITACHI CAPITAL CANADA
CORP.**

Address

301-3390 SOUTH SERVICE
ROAD
BURLINGTON ON
L7N 3J5 Canada

AMENDMENT

Registration Date and Time:

August 19, 2020 at 4:42:52 pm Pacific time

Registration Number:

413611M

Description:

DELETION OF VEHICLE COLLATERALS. ADDING NEW
VEHICLE COLLATERALS.





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV) AMENDED	2006	DOOSAN / G25E, FORKLIFT	E-398343
Motor Vehicle (MV) AMENDED	2010	CATERPILLAR / 320DL-E	CAT0320DVDFB00535
Motor Vehicle (MV) AMENDED	2007	HITACHI / ZX200LC-3	HCM1U100A00219369
Motor Vehicle (MV) AMENDED	2014	JOHN DEERE / 624K LOADER	1DW624KTVEF661885
Motor Vehicle (MV) AMENDED	1999	JOHN DEERE / 624H LOADER	DW624HX573934
Motor Vehicle (MV) AMENDED	2005	JOHN DEERE / 544J LOADER	DW544JP599132
Motor Vehicle (MV) AMENDED	2000	KOMATSU / WA250-3L LOADER	A70556
Motor Vehicle (MV) AMENDED	2019	CATERPILLAR / 262D SKIDSTEE	CAT0262DTDTB09575
Motor Vehicle (MV) AMENDED	2005	CATERPILLAR / 262B SKIDSTEE	CAT0262BPPDT01963
Motor Vehicle (MV) AMENDED	2003	CATERPILLAR / 252 SKIDSTEER	CAT00252HFDG01573
Motor Vehicle (MV) AMENDED	2012	CATERPILLAR / TL1255 4X4	TBN01026
Motor Vehicle (MV) AMENDED	2012	JLG / 10054 4X4 TELEHANDLER	0160046679



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Motor Vehicle (MV) AMENDED	2007	JLG / 600S 4X4 BOOM LIFT	0300105543
Motor Vehicle (MV) AMENDED	2018	CATERPILLAR / GP25N FORKLIF	AT35A05918
Motor Vehicle (MV) AMENDED	2018	CATERPILLAR / GP25N FORKLIF	AT35A06004
Motor Vehicle (MV) AMENDED	2008	CATERPILLAR / GP45K-LP2	AT29C90431
Motor Vehicle (MV) AMENDED	2008	TOYOTA / 8FGU30 FORKLIFT	13483
Motor Vehicle (MV) AMENDED	2002	TOYOTA / 7FGU35 FORKLIFT	60439
Motor Vehicle (MV) AMENDED	2014	MITSUBISHI / FG50CN1	AF29D90103
Motor Vehicle (MV) AMENDED	2014	MITSUBISHI / FG50CN1	AF29D90117
Motor Vehicle (MV) AMENDED	2009	PETERBILT / 387 TRACTOR	1XP7D49X29D784745
Motor Vehicle (MV) AMENDED	1988	WESTERN STAR / 4900 TRACTOR	2WLPDCCH8JK920218
Motor Vehicle (MV) AMENDED	2008	KENWORTH / T800 TRUCK	1NKDL40X88J935347
Motor Vehicle (MV) AMENDED	2006	PETERBILT / 335 TRUCK	2NPLLZ0X46M633577
Motor Vehicle (MV) AMENDED	2006	STERLING / L9500 TRUCK	2FZHAZCV36AV32550



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Motor Vehicle (MV) AMENDED	2013	HINO / 338 VAN TRUCK	2AYNF8JT8D3S13278
Motor Vehicle (MV) AMENDED	2006	KENWORTH / T300 TRUCK	2NKMHZ7H66M988308
Motor Vehicle (MV) AMENDED	2020	FORD / F350 PLATINUM TRUCK	1FT8W3BT6LEC15089
Motor Vehicle (MV) AMENDED	2019	FORD / F350 XLT TRUCK	1FT8W3BT8KEF86785
Motor Vehicle (MV) AMENDED	2012	FORD / F350 LARIAT TRUCK	1FT8W3BT1CEB56100
Motor Vehicle (MV) AMENDED	2008	FORD / F350 XLT TRUCK	1FTWX31R38EA92305
Motor Vehicle (MV) AMENDED	2015	FORD / F250 XLT TRUCK	1FT7W2B61FEB97721
Motor Vehicle (MV) AMENDED	2015	FORD / F250 XLT TRUCK	1FT7W2B65FEB84566
Motor Vehicle (MV) AMENDED	2014	FORD / F250 XLT TRUCK	1FT7W2B68EEA36779
Motor Vehicle (MV) AMENDED	2011	FORD / F250 XL TRUCK	1FT8W3B63BEB34544
Motor Vehicle (MV) AMENDED	2008	FORD / F250 XLT TRUCK	1FTNF21538ED62400
Motor Vehicle (MV) AMENDED	2013	CHEVROLET / EXPRESS AWD VAN	1GNSHBF47D1147852
Trailer (TR) AMENDED	2016	LODE KING / TRAILER	2LDSD5337GE061689



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Motor Vehicle (MV) AMENDED	2012	WACKER / NEUSON E3000ES	20118169
Motor Vehicle (MV) AMENDED	2008	TEREX / T120P GENERATOR	T12008-000202
Motor Vehicle (MV) AMENDED	2013	WACKER / NEUSON G70	20149363
Motor Vehicle (MV) AMENDED	2013	GENIE / Z45/25J 4X4 LIFT	Z452513A-47333
Motor Vehicle (MV) AMENDED	2011	GENIE / Z45/25J 4X4 LIFT	Z452511A-40109
Motor Vehicle (MV) AMENDED	2004	GENIE / S-85 4X4 BOOM LIFT	S8004-3760
Motor Vehicle (MV) AMENDED	2006	GENIE / S-85 4X4 BOOM LIFT	S8006-4942
Motor Vehicle (MV) AMENDED	2001	GENIE / S125 4X4 BOOM LIFT	S125-347
Motor Vehicle (MV) AMENDED	2008	GRADALL 544D-10 4X4 / -	0160032663
Motor Vehicle (MV) AMENDED	2008	GRADALL 544D-10 4X4 / -	0160032696
Motor Vehicle (MV) AMENDED	2007	GRADALL 544D-10 4X4 / -	0160031035
Motor Vehicle (MV) AMENDED	2003	GRADALL 544D-10 4X4 / -	0160002306
Motor Vehicle (MV) AMENDED	2007	SKYJACK SJ7135 LIFT / -	343730



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Motor Vehicle (MV) AMENDED	2012	INTERNATIONAL DURASTAR / -	1HTJSSKKXCH614247
Trailer (TR) AMENDED	2019	LOAD TRAIL 16' TRAILER / -	4ZEDT1632K1178887
Motor Vehicle (MV) AMENDED	2005	SUNRISE FABMASTER IW-88SD / -	359304
Motor Vehicle (MV) AMENDED	2001	POWER CURBERS 5700B 02 / -	0120291
Motor Vehicle (MV) AMENDED	2016	SCM STEFANI MD AM / -	AH/006381
Motor Vehicle (MV) AMENDED	2017	GANNOMAT INDEX 471L130 / -	770,731
Motor Vehicle (MV) AMENDED	2018	GANNOMAT CONCEPT 70 ECO / -	711.823
Motor Vehicle (MV) AMENDED	2005	MANTIS 6010 CRAWLER CRANE / -	60-154

Registering Party Information

MLT AIKINS LLP

Address

2600 - 1066 WEST HASTINGS ST
VANCOUVER BC
V6E 3X1 Canada

AMENDMENT

Registration Date and Time: August 17, 2020 at 10:53:43 am Pacific time
Registration Number: 407233M
Description: ADDING ADDITIONAL VEHICLE COLLATERAL.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV) ADDED	2016	SCM STEFANI MD AM / -	AH/006381
Motor Vehicle (MV) ADDED	2017	GANNOMAT INDEX 471L130 / -	770,731
Motor Vehicle (MV) ADDED	2018	GANNOMAT CONCEPT 70 ECO / -	711.823

Registering Party Information

MLT AIKINS LLP

Address

2600 - 1066 WEST HASTINGS ST
VANCOUVER BC
V6E 3X1 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 686343M

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	January 4, 2021 at 8:11:05 am Pacific time
Current Expiry Date and Time:	January 4, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of November 9, 2022 at 10:41:06 am Pacific time)

Secured Party Information

**BANK OF MONTREAL/BANQUE
DE MONTREAL**

Address

250 YONGE STREET, 9TH FLOOR
TORONTO ON
M5B 2L7 Canada

Debtor Information

**VIC VAN ISLE CONSTRUCTION
LTD.**

Address

96 CARTIER STREET
REVELSTOKE BC
V0E 2S0 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

LF379 ALL PRESENTLY OWNED AND AFTER ACQUIRED PERSONAL PROPERTY (OTHER THAN CONSUMER GOODS) AND FLOATING CHARGE ON LAND.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**BANK OF MONTREAL/BANQUE
DE MONTREAL**

Address

250 YONGE STREET, 9TH FLOOR
TORONTO ON
M5B 2L7 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 713180M

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	January 18, 2021 at 8:47:45 am Pacific time
Current Expiry Date and Time:	January 18, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of November 9, 2022 at 10:41:06 am Pacific time)

Secured Party Information

BANK OF MONTREAL/BANQUE DE MONTREAL

Address

250 YONGE STREET, 9TH FLOOR
TORONTO ON
M5B 2L7 Canada

Debtor Information

VIC VAN ISLE CONSTRUCTION LTD.

Address

96 CARTIER STREET
REVELSTOKE BC
V0E 2S0 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

LF379 ALL PRESENTLY OWNED AND AFTER ACQUIRED PERSONAL PROPERTY (OTHER THAN CONSUMER GOODS) AND FLOATING CHARGE ON LAND.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**BANK OF MONTREAL/BANQUE
DE MONTREAL**

Address

250 YONGE STREET, 9TH FLOOR
TORONTO ON
M5B 2L7 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 606691N

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	March 18, 2022 at 4:04:43 pm Pacific time
Current Expiry Date and Time:	March 18, 2027 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of November 9, 2022 at 10:41:06 am Pacific time)

Secured Party Information

**HENDRICKSON, KENNETH
LEWIS**

Address

1593 NICHOL RD
REVELSTOKE BC
V0E 2S1 Canada

Debtor Information

**VIC VAN ISLE CONSTRUCTION
LTD.**

Address

P.O. BOX 2988
REVELSTOKE BC
V0E 2S0 Canada

Vehicle Collateral

None



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

The Debtor grants to the Secured party a security interest in ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY. To the extent that the Secured Party has given or gives value for the purpose of enabling the Debtor to acquire rights in or to the personal property, the Debtor grants to the Secured party a Purchase Money Security Interest in that personal property and in the proceeds thereof.

Original Registering Party

ROBERT A. LUNDBERG

Address

P.O. BOX 2490
119 CAMPBELL AVENUE
REVELSTOKE BC
V0E 2S0 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 621722N

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	March 25, 2022 at 11:32:54 am Pacific time
Current Expiry Date and Time:	March 25, 2027 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of November 9, 2022 at 10:41:06 am Pacific time)

Secured Party Information

WESTERN SURETY COMPANY

Address

2100-1881 SCARTH STREET
REGINA SK
S4P 4K9 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Debtor Information

VVI CONSTRUCTION LTD.

Address

119 CAMPBELL AVENUE
P.O. BOX 2490
REVELSTOKE BC
V0E 2S0 Canada

LORTAP ENTERPRISES LTD.

Address

119 CAMPBELL AVENUE
P.O. BOX 2490
REVELSTOKE BC
V0E 2S0 Canada

GLACIER BUILDING SUPPLIES LTD.

Address

119 CAMPBELL AVENUE
P.O. BOX 2490
REVELSTOKE BC
V0E 2S0 Canada

FIVE STAR MANAGEMENT LTD.

Address

119 CAMPBELL AVENUE
P.O. BOX 2490
REVELSTOKE BC
V0E 2S0 Canada

VIC VAN ISLE CONSTRUCTION LTD.

Address

119 CAMPBELL AVENUE
P.O. BOX 2490
REVELSTOKE BC
V0E 2S0 Canada

GLACIER BUILDING SUPPLIES (1986) LTD.

Address

119 CAMPBELL AVENUE
P.O. BOX 2490
REVELSTOKE BC
V0E 2S0 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

WOOD-NOR CONSTRUCTION LTD.

Address

119 CAMPBELL AVENUE
P.O. BOX 2490
REVELSTOKE BC
V0E 2S0 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.
ALL PROCEEDS INCLUDING ACCOUNTS, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS,
DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, SUBSTITUTIONS, CROPS,
LICENCES, TRADE INS, INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

Original Registering Party

**BORDEN LADNER GERVAIS LLP
(VANCOUVER)**

Address

BOX 48600 1200 WATERFRONT
CENTRE
200 BARRARD STREET
VANCOUVER BC
V7X 1T2 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 919856N

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	August 15, 2022 at 11:21:28 am Pacific time
Current Expiry Date and Time:	August 15, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of November 9, 2022 at 10:41:06 am Pacific time)

Secured Party Information

OCEAN PARK FORD SALES LTD	Address
	3050 KING GEORGE HWY, SURREY BC V4P 1A2 Canada

Debtor Information

VIC VAN ISLE CONSTRUCTION LTD.	Address
	96 CARTIER ST REVELSTOKE BC V0E 2S0 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2022	FORD / EXPLORER	1FMSK8FH6NGA66075

General Collateral

None.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

OCEAN PARK FORD SALES LTD.

Address

3050 KING GEORGE HIGHWAY
SURREY BC
V4P 1A2 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 160993P

Registration Type:	CROWN CHARGE FILED PURSUANT TO PROVINCIAL SALES TAX ACT
Base Registration Date and Time:	October 25, 2022 at 10:21:05 am Pacific time
Current Expiry Date and Time:	Never

CURRENT REGISTRATION INFORMATION

(as of November 9, 2022 at 10:41:06 am Pacific time)

Secured Party Information

**RECEIVABLES MANAGEMENT
OFFICE - ALANA LOWERY**

Address

1802 DOUGLAS STREET, 6TH
FLOOR
VICTORIA BC
V8T 4K6 Canada

Debtor Information

**VIC VAN ISLE CONSTRUCTION
LTD.**

Address

PO BOX 2988
REVELSTOKE BC
V0E 2S0 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

All the debtor's present and after acquired personal property, including but not restricted to machinery, equipment, furniture, fixtures and receivables.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

MINISTRY OF FINANCE

Address

1802 DOUGLAS ST
PO BOX 9445
VICTORIA BC
V8T 4K6 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 173024P

Registration Type:	PPSA SECURITY AGREEMENT
Base Registration Date and Time:	October 31, 2022 at 11:53:12 am Pacific time
Current Expiry Date and Time:	October 31, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of November 9, 2022 at 10:41:06 am Pacific time)

Secured Party Information

OCEAN PARK FORD SALES LTD

Address

3050 KING GEORGE HWY,
SURREY BC
V4P 1A2 Canada

Debtor Information

VIC VAN ISLE CONSTRUCTION LTD.

Address

96 CARTIER ST
REVELSTOKE BC
V0E 2S0 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2022	FORD / SUPER DUTY F-3	1FT8W3BT6NEE73227

General Collateral

None.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

OCEAN PARK FORD SALES LTD.

Address

3050 KING GEORGE HIGHWAY
SURREY BC
V4P 1A2 Canada



This is Exhibit “G” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



February 28, 2022

URGENT

Vic Van Isle Construction Ltd.
Lortap Enterprises Ltd.
VVI Construction Ltd.

96 Cartier St.
Revelstoke, British Columbia
VOE 2S0

Attention: Kenneth Lewis Hendrickson

Dear Mr. Hendrickson

RE: Demand of Indebtedness of Vic Van Isle Construction Ltd., as successor by amalgamation, Lortap Enterprises Ltd. and VVI Construction Ltd. owing to Mitsubishi HC Capital Canada, Inc. (formerly Hitachi Capital Canada Corp. (“HCC”)) (the “Lender”)

We refer to the Secured Revolving Credit Agreement dated August 21, 2020 as amended by an amending agreement dated March 18, 2021 among the predecessor Vic Van Isle Construction Ltd., VVI Construction Ltd., Lortap Enterprises Ltd. and VVI Construction Ltd. (together, the “**Borrowers**”), as borrowers, and Five Star Management Ltd., Glacier Building Supplies (1986) Ltd., and Wood-Nor Construction Ltd., as corporate guarantors, and Kenneth Lewis Hendrickson, Bruce Walker and Jamie Gordon Hampton, as individual guarantors (the “**Loan Agreement**”). We also refer to the Confirmation and Acknowledgment dated April 1, 2021, pursuant to which the Borrowers, corporate guarantors and individual guarantors ratified and confirmed their obligations to the Lender under the Loan Documents (as applicable). Unless otherwise stated, capitalized terms used in this letter will have the meanings ascribed to such terms in the Loan Agreement.

Pursuant to Section 2.5 of the Loan Agreement, the Lender may, at any time prior to the Maturity Date, demand repayment in full of the Indebtedness. As at the date of the letter, the Borrowers owe the Lender **\$3,607,757.06**, as detailed in Schedule “**A**” (the “**Indebtedness**”), attached hereto.

We hereby demand payment from you of the Indebtedness, namely the sum of **\$3,607,757.06**, together with interest thereon and all costs, including legal fees, incurred by the Lender until the date of payment.

If you fail to pay the sum indicated on or before March 14, 2022, the Lender will pursue its remedies against you and will take whatever steps it deems appropriate to seek repayment of the Indebtedness.



We also enclose at this time a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act (Canada)* together with a Consent hereto. If you consent to the Lender enforcing its rights and remedies without further delay, please date and execute one copy of the Consent attached to the enclosed Notice of Intention to Enforce Security and return same to the undersigned by email forthwith.

Yours truly,

Philippe Frenette
Vice President, Factoring & Asset-Based Lending



Schedule "A"
Indebtedness (as at February 28, 2022)

Principal	Accrued Interest	Costs	Total
\$3,576,357.77	\$26,399.29	\$5,000.00	\$3,607,757.06

This is Exhibit “H” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal

F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

NOTICE OF INTENTION TO ENFORCE SECURITY (Subsection 244(1) of the BIA)

To: **VVI Construction Ltd.** (an insolvent corporation)

TAKE NOTE THAT:

1. Mitsubishi HC Capital Canada, Inc. (formerly Hitachi Capital Canada Corp.) ("**Lender**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:

all of **VVI Construction Ltd.** present and after-acquired assets, property and undertaking (other than Consumer Goods) including without limitation, Goods (including Inventory and Equipment), Accounts, Chattel Paper, Documents of Title, Instruments, Intangibles (including all intellectual property), Money, Securities and Proceeds now owned or hereafter acquired by or on behalf of **VVI Construction Ltd.** (and all rights and interests now or hereafter held by or on behalf of **VVI Construction Ltd.** with respect to any of the foregoing).


2. The security that is to be enforced is in the form of a General Security Agreement dated **February 28, 2022** issued by **VVI Construction Ltd.** in favour of Lender (the "**Security**").

3. As of **February 28, 2022**, the total amount of indebtedness secured by the Security is **CAD \$3,576,357.77** exclusive of interest, enforcement costs, and other costs and expenses.

4. Lender will not have the right to enforce the Security until after the expiry of the ten-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement, by executing the consent and waiver attached hereto as Schedule "B" and providing a copy to the undersigned.

DATED at Toronto this **28th** day of **February, 2022**.

Mitsubishi HC Capital Canada, Inc.
(formerly Hitachi Capital Canada Corp.)
by its lawyers, Miller Thomson LLP

Per:  _____

Name: Asim Iqbal, Partner

Telephone: (416) 597.6008

Email: aiqbal@millerthomson.com

Notice of Intention to Enforce Security (Subsection 244(1) of the BIA)

To: Mitsubishi HC Capital Canada, Inc. (formerly Hitachi Capital Canada Corp.)
 (“**Lender**”)

TAKE NOTE THAT:

1. The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated **February 28, 2022** pursuant to Section 244 of the Bankruptcy and Insolvency Act (Canada) with respect to the assets of **VVI Construction Ltd.**, waives its right to the ten-day notice period and to redeem the collateral, and consents to the immediate enforcement of the security held by Lender.

DATED at **Toronto** this **28th** day of **February, 2022**.

VVI CONSTRUCTION LTD.

By 

Name: *Lewis Hendricks*

Title: *President*

03/09/22

NOTICE OF INTENTION TO ENFORCE SECURITY (Subsection 244(1) of the BIA)

To: **Vic Van Isle Construction Ltd.** (an insolvent corporation)

TAKE NOTE THAT:

1. Mitsubishi HC Capital Canada, Inc. (formerly Hitachi Capital Canada Corp.) ("**Lender**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:

all of **Vic Van Isle Construction Ltd.** present and after-acquired assets, property and undertaking (other than Consumer Goods) including without limitation, Goods (including Inventory and Equipment), Accounts, Chattel Paper, Documents of Title, Instruments, Intangibles (including all intellectual property), Money, Securities and Proceeds now owned or hereafter acquired by or on behalf of **Vic Van Isle Construction Ltd.** (and all rights and interests now or hereafter held by or on behalf of **Vic Van Isle Construction Ltd.** with respect to any of the foregoing).

2. The security that is to be enforced is in the form of a General Security Agreement dated **February 28, 2022** issued by **Vic Van Isle Construction Ltd.** in favour of Lender (the "**Security**").

3. As of **February 28, 2022**, the total amount of indebtedness secured by the Security is **CAD \$3,576,357.77** exclusive of interest, enforcement costs, and other costs and expenses.

4. Lender will not have the right to enforce the Security until after the expiry of the ten-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement, by executing the consent and waiver attached hereto as Schedule "B" and providing a copy to the undersigned.

DATED at Toronto this **28th** day of **February, 2022**.

Mitsubishi HC Capital Canada, Inc.
(formerly Hitachi Capital Canada Corp.)
by its lawyers, Miller Thomson LLP

Per: 

Name: Asim Iqbal, Partner

Telephone: (416) 597.6008

Email: aiqbal@millerthomson.com

Notice of Intention to Enforce Security (Subsection 244(1) of the BIA)

To: Mitsubishi HC Capital Canada, Inc. (formerly Hitachi Capital Canada Corp.)
 (“**Lender**”)

TAKE NOTE THAT:

1. The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated **February 28, 2022** pursuant to Section 244 of the Bankruptcy and Insolvency Act (Canada) with respect to the assets of **Vic Van Isle Construction Ltd.**, waives its right to the ten-day notice period and to redeem the collateral, and consents to the immediate enforcement of the security held by Lender.

DATED at **Toronto** this **28th** day of **February, 2022**.

VIC VAN ISLE CONSTRUCTION LTD.

By 

Name: *Lewis Hadrick Kison*

Title: *President*

03/09/22

NOTICE OF INTENTION TO ENFORCE SECURITY (Subsection 244(1) of the BIA)

To: **Lortap Enterprises Ltd.** (an insolvent corporation)

TAKE NOTE THAT:

1. Mitsubishi HC Capital Canada, Inc. (formerly Hitachi Capital Canada Corp.) ("**Lender**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:

all of **Lortap Enterprises Ltd.** present and after-acquired assets, property and undertaking (other than Consumer Goods) including without limitation, Goods (including Inventory and Equipment), Accounts, Chattel Paper, Documents of Title, Instruments, Intangibles (including all intellectual property), Money, Securities and Proceeds now owned or hereafter acquired by or on behalf of **Lortap Enterprises Ltd.** (and all rights and interests now or hereafter held by or on behalf of **Lortap Enterprises Ltd.** with respect to any of the foregoing).

2. The security that is to be enforced is in the form of a General Security Agreement dated **February 28, 2022** issued by **Lortap Enterprises Ltd.** in favour of Lender (the "**Security**").

3. As of **February 28, 2022**, the total amount of indebtedness secured by the Security is CAD **\$3,576,357.77** exclusive of interest, enforcement costs, and other costs and expenses.

4. Lender will not have the right to enforce the Security until after the expiry of the ten-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement, by executing the consent and waiver attached hereto as Schedule "B" and providing a copy to the undersigned.

DATED at Toronto this **28th** day of **February, 2022**.

Mitsubishi HC Capital Canada, Inc.
(formerly Hitachi Capital Canada Corp.)
by its lawyers, Miller Thomson LLP

Per:  _____

Name: Asim Iqbal, Partner

Telephone: (416) 597.6008

Email: aiqbal@millerthomson.com

Notice of Intention to Enforce Security (Subsection 244(1) of the BIA)

To: Mitsubishi HC Capital Canada, Inc. (formerly Hitachi Capital Canada Corp.)
 (“**Lender**”)

TAKE NOTE THAT:


1. The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated **February 28, 2022** pursuant to Section 244 of the Bankruptcy and Insolvency Act (Canada) with respect to the assets of **Lortap Enterprises Ltd.**, waives its right to the ten-day notice period and to redeem the collateral, and consents to the immediate enforcement of the security held by Lender.

DATED at Toronto this 28th day of February, 2022.

LORTAP ENTERPRISES LTD.

By

Name:


Lewis Hendrickson

Title:

President

03/09/22

This is Exhibit "I" referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal

F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



Personal and Confidential

March 9, 2022

<p>Vic Van Isle Construction Ltd. Lortap Enterprises Ltd. VVI Construction Ltd.</p> <p>96 Cartier St. Revelstoke, British Columbia VOE 2S0</p> <p>Attention: Kenneth Lewis Hendrickson</p>	<p>Kenneth Lewis Hendrickson 1593 Nichol Road Revelstoke, British Columbia VOE 2S0</p> <p>Bruce Walker 1240 Industrial Road Kelowna, British Columbia V1Z 1G5</p> <p>Jamie Gordon Hampton 4456 Airport Way Revelstoke, British Columbia VOE 2S3</p>
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Dear Sirs:

RE: Indebtedness of Vic Van Isle Construction Ltd., as successor by amalgamation, Lortap Enterprises Ltd. and VVI Construction Ltd. ("VVI") owing to Mitsubishi HC Capital Canada, Inc. (formerly Hitachi Capital Canada Corp. ("HCC")) (the "Lender")

Recitals

1. We refer to the Secured Revolving Credit Agreement dated August 21, 2020 among the Lender, as lender, and Vic Van Isle Construction Ltd. ("**Predecessor Vic Van Isle**"), VVI, Lortap Enterprises Ltd. ("**Lortap**") and Glacier Building Supplies Ltd. ("**GBS**", and together with Predecessor Vic Van Isle, VVI and Lortap, "**Initial Borrowers**"), as borrowers, and Five Star Management Ltd. ("**Five Star**"), Glacier Building Supplies (1986) Ltd. ("**GBS 1986**") and Wood-Nor Construction Ltd. ("**Wood-Nor**", and together with Five Star and GBS 1986, "**Corporate Guarantors**"), as corporate guarantors, and Kenneth Lewis Hendrickson ("**Hendrickson**"), Bruce Walker ("**Walker**"), Jamie Gordon Hampton ("**Hampton**", and, together with Hendrickson and Walker, the "**Personal Guarantors**", and Personal Guarantors together with the Corporate Guarantors are referred to herein as, "**Guarantors**"), as individual guarantors, as amended by an amending agreement dated March 18, 2021, pursuant to which Lender extended to Borrowers a secured demand revolving credit facility (the "**Revolver**") up to the lesser of: (i) \$4,000,000; and (ii) the Borrowing Base Limit (as defined in the Loan Agreement) (as amended, the "**Loan Agreement**").
2. Effective April 1, 2021, Initial Borrowers (other than Lortap and VVI) and certain Corporate Guarantors amalgamated to form Vic Van Isle Construction Ltd. ("**Amalco**") as successor corporation by amalgamation. In this Agreement, Amalco, VVI and Lortap are collectively referred to as "**Borrowers**".



3. As at February 28, 2022, the aggregate amount outstanding under the Loan Agreement including outstanding principal, accrued interest and costs is \$3,607,757.06 (plus interest and costs, including legal fees, until the date of repayment, the "**Indebtedness**").
4. Unless otherwise defined, capitalized terms used in this letter are given the meanings ascribed to such terms in the Loan Agreement.
5. On April 1, 2021, Amalco, Initial Borrowers and Guarantors executed a Confirmation and Acknowledgment in favour of Lender under which each party acknowledged and confirmed their respective obligations to Lender under the applicable Loan Documents, including the Loan Agreement, the Indebtedness, the Guarantees (defined below) and Security (defined below).
6. Each Guarantor unconditionally and irrevocably guaranteed in favour of Lender all debts and liabilities of Borrowers to Lender, including the Indebtedness" (the "**Guarantees**") and Borrower and Guarantors granted security to secure the payment and performance of their respective obligations to Lender under the applicable Loan Documents, all of which is described in Schedules "A" to "H" attached hereto (the "**Security**").
7. In addition to all other Security held by Lender, GBS 1986 granted a second-ranking mortgage in favour of Lender in the principal amount of \$6,000,000 against the Lands (the "**Collateral Mortgage**").
8. Certain of the Credit Parties (defined below) are parties to the following blocked account agreements, as follows (collectively, the "**Blocked Account Agreements**"):
 - a. Blocked Account Agreement dated August 21, 2020 amongst Bank of Montreal, the Predecessor Vic Van Isle and Lender;
 - b. Blocked Account Agreement dated August 21, 2020 amongst Bank of Montreal, GBS and Lender;
 - c. Blocked Account Agreement dated August 21, 2020 amongst Bank of Montreal, VVI and Lender; and
 - d. Blocked Account Agreement dated August 21, 2020 amongst Bank of Montreal, Lortap and Lender.
9. Pursuant to Section 2.5 of the Loan Agreement, the Lender may, at any time prior to the Maturity Date, demand repayment in full of the Indebtedness. By written correspondence, Lender demanded from the Borrowers and each Guarantor repayment in full of the Indebtedness. Together with such demand letters, Lender delivered to Borrowers and Corporate Guarantors Notices of Intention to Enforce Security under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). Borrowers and Corporate Guarantors consented to waiving the 10-day waiting period under the applicable BIA Notice ("**Consents to Early Enforcement**").
10. Borrowers and Guarantors (collectively, "**Credit Parties**") have requested that Lender forbear from enforcing its rights and remedies at this time and provide certain accommodations to Borrowers to permit Borrowers to obtain financing to fully repay the Indebtedness in accordance



with the terms of this Agreement (the "**Refinancing**"). Lender has not waived the defaults described in the Demand Letters but, subject to the terms of this Agreement, Lender will agree to forbear from enforcing its rights and remedies.

11. Borrowers have advised Lender that Borrowers require an additional advance of \$300,000 to satisfy Borrowers' upcoming payroll obligations (the "**Additional Advance**").
12. In consideration of Lender's forbearance as described herein, for the other accommodations described herein, and for other good and valuable consideration, the receipt and sufficiency of which are irrevocably acknowledged by the parties, Credit Parties agree with Lender as follows:

Acknowledgments

13. Credit Parties acknowledge that each of the foregoing recitals is true and correct.
14. Credit Parties acknowledge and agree that:
 - a. Borrowers are indebted to Lender under the Loan Agreement for the amount of the Indebtedness, together with interest and costs (including legal fees) thereon until the date of payment;
 - b. entering into this Agreement does not constitute an enforcement by Lender of the Security;
 - c. Borrowers have no defences, counterclaims or rights of set-off or reduction in respect of Borrowers' indebtedness to Lender;
 - d. Borrowers are in default of their obligations to Lender under the terms of the Loan Agreement;
 - e. Lender has demanded repayment in full and may, subject to the terms of this Agreement, enforce its rights and remedies against Credit Parties, including enforcing the Security; and
 - f. unless the context requires otherwise, in this Agreement: (i) the word "including" shall be deemed to mean "including, without limitation", and (ii) references to the exercise of Lender's discretion or "satisfactory to Lender", or similar words to that effect, shall be deemed to mean "in form and substance satisfactory to Lender in its sole and unfettered discretion".
15. Commencing on the next business day following satisfaction of the Conditions Precedent (as defined below) and continuing until the earlier to occur of the Forbearance Deadline and the termination by Lender of its accommodations in accordance with the terms of this Agreement (the "**Tolling Termination Date**"), Lender and Credit Parties agree to toll and suspend the running of the applicable statutes of limitation, laches or other doctrines related to the passage of time in relation to the Loan Agreement, the Indebtedness, the Security and any entitlements arising therefrom or any other related matters and any contractual time limitation on the commencement of proceedings, any claims or defenses based on the application of any statute



of limitations, contractual limitations, or any time-related doctrine including waiver, estoppel or laches is hereby suspended (the "**Tolling Agreement**"). Each of the parties confirms that the Tolling Agreement is intended to be an agreement to suspend or extend the basic limitation period provided by section 4 of the *Ontario Limitations Act, 2002* as well as the ultimate limitations period provided by section 15 of the *Ontario Limitations Act, 2002* in accordance with the provisions of section 22 of the *Ontario Limitations Act, 2002* and is intended to be a "business agreement" in accordance with section 22 of the *Ontario Limitations Act, 2002*.

16. The time provided for under any statutes of limitations, laches, or any other doctrines related to the passage of time in relation to the Loan Agreement, the Indebtedness the Security, or the Guarantees, or any entitlement arising therefrom and any other related matters, will recommence running as of the Tolling Termination Date, and for greater certainty, the time during which the limitation period is suspended pursuant to the Tolling Agreement shall not be included in the computation of any limitation period.
17. Credit Parties acknowledge and agree that all of the Security (including the Collateral Mortgage) now held by Lender as security for the Indebtedness and other obligations of Borrowers to Lender is valid, binding and enforceable in accordance with its terms, and that Credit Parties have no defences, counterclaims or rights of set-off or reduction to any claims that may be brought by Lender thereunder.
18. Credit Parties acknowledge and agree that the Guarantees are valid, binding and enforceable in accordance with their terms and that the Guarantors have no defences, counterclaims or rights of set-off or reduction to any claims that may be brought by Lender thereunder.
19. Credit Parties hereby consent to the terms of Lender's forbearance and other accommodations as set out herein.
20. Credit Parties hereby agree that upon the execution of this Agreement, they shall each absolutely and irrevocably release Lender, its officers, directors, employees, agents and counsel (collectively, the "**Releasees**") of and from any and all claims that any Credit Party may have in respect of the Releasees up to and including the date hereof including, without limitation, any actions taken by Lender in dealing with Borrowers, the Guarantors, the Loan Agreement or the Indebtedness.
21. In consideration of Lender's forbearance and the other accommodations described herein, Borrowers agree to pay to Lender a forbearance fee (the "**Forbearance Fee**") in the amount of \$5,000, which shall be earned and payable upon execution of this Agreement.

Conditions Precedent

22. The forbearance and other accommodations granted by Lender hereunder are subject to approval of Lender's credit committee and Lender receiving the following in form and substance satisfactory to Lender on or before March 9, 2022 or such other date as Lender may agree in its discretion (collectively, the "**Conditions Precedent**")
 - a. a duly authorized, executed and delivered original of this Agreement executed by each of the Credit Parties;



- b. payment of the Forbearance Fee; and
 - c. duly executed Consents to Early Enforcement from Borrowers;
23. Upon satisfaction of the Conditions Precedent, unless a Forbearance Terminating Event (as defined herein) occurs under this Agreement, Lender shall not take steps prior to June 30, 2022 (the "**Forbearance Deadline**") to enforce the Security held by Lender from Credit Parties.

Additional Advance

24. Lender agrees to advance to Borrowers the Additional Advance, *provided that* the following requirements are met to the satisfaction of Lender by no later than March 9, 2022:
- a. Lender has received an Advance request in writing from Borrower in accordance with Section 2.4 of Loan Agreement;
 - b. Lender has confirmed that all of the Conditions Precedent have been satisfied or waived;
 - c. Lender has received satisfactory evidence that Borrowers' shareholders have advanced to Borrowers the amount of \$200,000 by way of additional equity or deeply subordinated shareholder loan(s); and
 - d. no Forbearance Terminating Event has occurred.

Default Interest

25. Effective upon the execution of this Agreement, the interest rate charged on the Indebtedness under Section 3.2 of the Loan Agreement shall be increased to BA Rate + 12%.
26. Interest on arrears shall continue to be governed by Section 3.4.1 of the Loan Agreement.
27. Credit Parties acknowledge and confirm that, in accordance with Section 16.2(e) of the Loan Agreement, any expense incurred and amount paid by Lender to realize, maintain or preserve any of the Security granted by a Borrower to Lender hereunder or by law shall bear interest at the BA Rate plus twenty percent (20%), subject to applicable law.

Refinancing

28. Borrowers shall forthwith provide to Lender copies of all term sheets, offers of financing and any similar documentation received by Borrowers with respect to the Refinancing, provided that Borrowers shall:
- a. on or before March 31, 2022, deliver to Lender either: (i) a satisfactory signed term sheet or similar commitment for financing in an amount sufficient to fully repay the Indebtedness from a *bona fide* third-party lender (the "**Takeout Financing**"), or (ii) subject to Section 29, a satisfactory signed term sheet or similar commitment for financing from a *bona fide* third party equipment lender for an amount no less than \$1.5 million to refinance Borrowers equipment (the "**Equipment Financing**"); and



- b. on or before April 30, 2022, either: (i) indefeasibly repay in full of Indebtedness pursuant to the Takeout Financing, or (ii) pay to Lender the proceeds of the Equipment Financing in partial and permanent reduction of the Indebtedness.

29. The minimum principal amount of the required Equipment Financing may be reduced to \$1,000,000 *provided that* the loan-to-value ratio of Indebtedness to accounts receivable is equal to or less than 70%, such ratio to be calculated by Lender.

Real Property Sale

30. Credit Parties represent and warrant to Lender that:

- a. a related party (the "**Related Party Purchaser**") has executed a letter of intent (the "**Real Property LOI**") to purchase the Lands (the "**Real Property Sale**");
- b. Related Party Purchaser shall pay a deposit to Borrowers in the amount of \$2,300,000, (the "**Real Property Deposit**"); and
- c. Related Party Purchaser has agreed that the Real Property Deposit is non-refundable and will be advanced to VVI and utilized as follows: (i) \$1,150,000 shall be paid to Lender in permanent reduction of the Indebtedness (the "**Partial Payment**"), and (ii) \$1,150,000 shall be utilized by VVI for working capital.

31. Credit Parties acknowledge, covenant and agree as follows:

- a. by no later than March 11, 2022, the Lender shall be in receipt of a copy of the Real Property LOI. The terms of the Real Property LOI must be satisfactory to Lender;
- b. the Lands are subject to the Collateral Mortgage and the Collateral Mortgage is valid, binding and enforceable in accordance with its terms;
- c. consummation of the Real Property Sale requires Lender's consent;
- d. by no later than March 31, 2022, Borrowers shall provide to Lender a copy of the fully executed, binding agreement of purchase and sale governing the Real Property Sale (the "**Real Property Sale Agreement**"), together with all supporting documentation including evidence satisfactory to Lender that the buyer has paid the Real Property Deposit;
- e. by no later than March 31, 2022 or such later date as Lender may agree:
 - i. the Real Property Deposit shall have been paid by Real Property Purchaser; and
 - ii. the Partial Payment shall have been made to Lender;
- f. by no later than March 31, 2022, Lender shall be in receipt of a copy of the proposal or term sheet from BDC or another third party lender to finance the Real Property Sale (such proposal or term sheet must be satisfactory to Lender) (the "**Real Property Financing**");



- g. by no later than April 31, 2022, Lender shall be in receipt of a copy of a fully executed commitment letter or binding offer of financing in respect of the Real Property Financing (such commitment letter or offer of financing must be satisfactory to Lender);
- h. the Real Property Sale shall close by no later than the Forbearance Deadline ("**Closing**");
- i. by no later than two (2) business days prior to Closing, the Lender shall be in receipt of and shall have approved the draft statement of adjustments for the Real Property Sale; and
- j. on or before the Forbearance Deadline, the net proceeds of the Real Property Sale, net of customary adjustments and satisfaction of priority charges registered against the Real Property, if any, shall be paid directly to Lender and applied in permanent reduction of the Indebtedness.

Subordination of Collateral Charge on Lands

32. Borrowers request Lender to subordinate the Collateral Mortgage to a new charge to be registered against the Lands in favour of Real Property Purchaser in the principal amount of \$2,300,000 (the "**Deposit Charge**") as security for the Real Property Deposit (the "**Subordination**"). Lender agrees to the Subordination *provided that* the following conditions are met to Lender's satisfaction:

- a. Lender is in receipt of the Partial Payment in permanent reduction of the Indebtedness;
- b. the Deposit Charge shall not secure any other indebtedness other than the Real Property Deposit and the principal amount of the Deposit Charge shall not exceed the amount of the Real Property Deposit;
- c. Lender shall be satisfied, following a review by Lender of Borrowers' accounts receivables, as to the validity and collectability of such receivables; and
- d. No Forbearance Terminating Event has occurred.

Additional Security



33. Credit Parties covenant to and in favour of Lender that, by no later than March 16, 2022, Personal Guarantors shall have granted and Lender shall have a valid collateral charge in the principal amount of the Indebtedness against the all of the personal residences of each of the Personal Guarantors, including the real properties described in the personal net worth statements provided by Personal Guarantors to Lender on or about February 3, 2022 (collectively, the “**Additional Security**”). Such Additional Security shall be in form and substance satisfactory to Lender and shall be drafted and registered by counsel for Credit Parties. Credit Parties shall cause their counsel to provide to Lender for review and approval all draft documents related to the Additional Security.
34. Credit Parties covenant and agree cooperate fully with Lender and to execute, or cause to be executed, such documents as Lender may require to obtain the Additional Security.

Additional Reporting Requirements

35. Credit Parties shall adhere to all reporting requirements in accordance with the Loan Agreements.
36. By no later than March 31, 2022, Credit Parties shall deliver to Lender, each in form and substance satisfactory to Lender:
- a. a cash flow forecast or other report satisfactory to Lender setting out Borrowers’ plan for funding Borrowers’ future payroll obligations arising during the Forbearance Period (the “**Payroll Plan**”), including a forecast of the quantum and sources of funding for such payroll obligations; and
 - b. updated financial statements and personal balance sheets from the Credit Parties as required under Section 9.2.1 and 9.2.3 of the Loan Agreement.

Repayment Deadline

37. By no later than the Forbearance Deadline, Borrowers shall have permanently and indefeasibly repaid the Indebtedness in full.

Conversion to Factoring Facility

38. Credit Parties acknowledge and agree that the Revolver may be converted to a “factoring facility” upon Lender notifying Borrowers in writing of Lender’s decision to convert the Revolver to a factoring facility (a “**Conversion Notice**”). Borrowers covenant to Lender to cooperate fully with Lender and execute such documents or agreements as Lender may require to convert the Revolver to a factoring facility upon delivery by Lender of a Conversion Notice.

Additional Covenants

39. Borrowers shall pay when due, or otherwise provide confirmation satisfactory to Lender that payment arrangements satisfactory to Lender have been entered into by Borrowers to pay when due all amounts owing or required to be paid by Borrowers, where a failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which



ranks or is capable of ranking in priority to the Security (including the Collateral Mortgage) or otherwise in priority to any claim by Lender for the repayment of any amounts owing to it, including, all amounts owing by Borrowers to any federal, provincial, municipal or other government entity or Crown corporation, all statutory, actual or deemed trusts, all withholdings and source deductions, all accrued and unpaid payroll, including vacation pay, realty taxes in respect of the Real Property, and all amounts owing to any person having a lien, encumbrance, trust or charge ranking in priority to the Security (collectively, "Prior Claims").

40. Credit Parties covenant to Lender that they shall comply with, or cause to be complied with, all of the terms of the Blocked Account Agreements. No Credit Party shall open any new bank or deposit account or accounts without Lender's prior written consent.
41. Without the prior written consent of Lender, no Credit Party shall commence or take any step towards commencing a proceeding, or takes any other action under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Business Corporations Act* (British Columbia) ("**BCBCA**"), the *Business Corporations Act* (Canada), the *Winding-Up Act* (Canada) or any similar legislation.
42. Credit Parties confirm to and in favour of Lender that all assets secured by the Security are in existence, in the possession and control of the applicable Credit Party and have not been transferred, sold, encumbered or impaired in any manner which would deteriorate from or adversely affect the value of same.
43. Each of the Credit Parties agrees to comply with all applicable environmental laws and regulations and to advise Lender promptly of any action requests or violation notices received concerning the Real Property and to hold Lender harmless for any costs or expenses which Lender incurs for any environment related liability existing now or in the future with respect to the Real Property. Each of the Credit Parties certifies that no environmental laws or regulations have been violated with respect to the Real Property and, to the best of its knowledge, no proceedings have or have been threatened to be instituted with respect to a breach of any environmental laws or regulations.
44. The Credit Parties shall indemnify Lender for any damage Lender may suffer or any responsibility it may incur as a result of non-compliance by Credit Parties with any applicable environmental laws and regulations affecting Credit Parties' assets or their business.
45. None of Lender's existing rights and remedies are waived by this Agreement but are specifically reserved and preserved. However, subject to the provisions of this Agreement, Lender agrees not to take any further steps in enforcement of its rights and remedies against Credit Parties under the Security or the Guarantees prior to the Forbearance Deadline unless and until one of the following events has occurred (each, a "**Forbearance Terminating Event**"):
 - a. any default or breach by any of the Credit Parties occurs under this Agreement or the occurrence of an Event of Default or any further default or breach by any of the Credit Parties of any obligation or covenant occurs under the Loan Agreement, the Loan Documents or any of the Security;



- b. if the conditions to the Additional Advance set out Section 24 are not timely satisfied;
- c. if Borrowers fail to make any payment when due to Lender;
- d. any other creditor of any of the Credit Parties exercises or purports to exercise any rights against any of the property, assets or undertaking of any of the Credit Parties or if any of the Credit Parties or any creditor brings any proceeding or takes any other action under the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)*, the *BCBCA*, the *Business Corporations Act (Canada)*, the *Winding-Up Act (Canada)* or any similar legislation;
- e. if any steps are taken by Borrowers or a third party to wind up or dissolve Borrowers without the prior written consent of Lender, which may be withheld in Lender's discretion;
- f. any representation or warranty made by any Credit Party in connection with the execution and delivery of this Agreement or in any of the Security held by Lender shall prove to have been incorrect in any material respect at the time such representation or warranty was made;
- g. any default or failure by Borrowers to make any payment of wages or other monetary remuneration payable by Borrowers to their employees under the terms of any contract of employment, oral or written, express or implied (the "**Payroll**") or the failure by Borrowers to pay to the relevant governmental authority when due any of the Prior Claims exigible in respect of a Payroll;
- h. the sale, lease, transfer, relocation, abandonment or any other disposition of the assets of any of the Borrowers out of the ordinary course of business, which are subject to the Security without the express prior written consent of Lender;
- i. any default or failure by any of the Credit Parties to pay any of the Prior Claims when due;
- j. if any action which any of the Credit Parties may take only with the prior consent of Lender is taken by any of the Credit Parties without such consent being previously obtained from Lender;
- k. if the Borrowers fail to provide Lender the reporting or other information specified herein or in the Loan Agreement, Security or other Loan Documents or as required from time to time; and
- l. in Lender's opinion (acting reasonably), the Refinancing will not be completed on or before the Forbearance Deadline.

46. Upon the earlier of:

- a. the Forbearance Deadline; or
- b. the occurrence of a Forbearance Terminating Event,



Lender may take steps to enforce all of its rights and remedies against any of the Credit Parties without further notice or demand in accordance with applicable legal requirements. Credit Parties specifically acknowledge and agree that in the event a Forbearance Terminating Event occurs and Lender terminates its forbearance hereunder, Credit Parties hereby irrevocably consent to the appointment of a receiver, receiver and manager or agent of Lender's choosing of the assets, property and undertaking of Borrowers and/or Guarantors. Credit Parties hereby agree to fully co-operate with such receiver, receiver and manager or agent in the realization of the Security.

47. Credit Parties hereby irrevocably agree upon request by Lender, to duly execute or deliver or cause to be executed or delivered to Lender such further instruments, agreements or similar documents or do or cause to be done such further acts as may be necessary or desirable in the opinion of Lender to carry out the provisions and purposes of this Agreement.
48. All terms and conditions of the Loan Documents and any other security delivered by Credit Parties to Lender shall continue in full force and effect save and except as amended by this Agreement. To the extent that any provision thereof is inconsistent with this Agreement, this Agreement shall prevail.
49. Credit Parties covenant to and in favour of Lender and agree that they will not grant any further security on any of their property, assets or undertaking without the prior written consent of Lender, which may be withheld by Lender in its sole and unfettered discretion.
50. Time shall be of the essence of this Agreement and this Agreement shall be governed by the laws of the Province of British Columbia and the laws of Canada applicable therein.
51. This Agreement may be executed in counterparts, which counterparts taken together shall evidence an agreement as of the date first set out above.
52. Credit Parties hereby acknowledge and agree that Lender may apply any amounts outstanding to the credit of any of the Credit Parties and any account or accounts of any of the Credit Parties as a set-off or in combination of the Credit Parties' indebtedness to Lender. The application of any such funds shall be as Lender may determine.
53. Credit Parties agree to pay all actual present and future legal fees and disbursements, on a full indemnity basis, incurred by Lender in respect of or in any way related to Credit Parties or the Loan Documents including, without limitation, Lender's legal fees in connection with the preparation and enforcement of this Agreement.
54. Each of the Credit Parties represents and warrants in favour of Lender that it has retained and consulted independent legal counsel and received the benefit of independent legal advice in connection with its rights and obligations under this Agreement.

[Signature page follows]



IN WITNESS WHEREOF, the parties hereto agree to the terms in this Agreement effective on the date set out above

LENDER:

**MITSUBISHI HC CAPITAL CANADA,
INC. (FORMERLY HITACHI CAPITAL
CANADA CORP.)**

Per:

A handwritten signature in blue ink, appearing to read "Philippe Frenette", written over a horizontal line.

Philippe Frenette, Vice President,
Factoring & Asset-Based Lending

I have authority to bind Lender.

BORROWERS:

VIC VAN ISLE CONSTRUCTION LTD.

Per:

A handwritten signature in blue ink, appearing to read "Kenneth Lewis Hendrickson", written over a horizontal line.

Kenneth Lewis Hendrickson,
Authorized Signatory

I have authority to bind the
corporation.

LORTAP ENTERPRISES LTD.

Per:

A handwritten signature in blue ink, appearing to read "Kenneth Lewis Hendrickson", written over a horizontal line.

Kenneth Lewis Hendrickson,
Authorized Signatory

I have authority to bind the
corporation.



VVI CONSTRUCTION LTD.

Per: _____

Kenneth Lewis Hendrickson,
Authorized Signatory

I have authority to bind the
corporation.

GUARANTORS:

Kenneth Lewis Hendrickson

Bruce Walker

Jamie Gordon Hampton

SCHEDULE "A"

The documents previously granted by the Predecessor Vic Van Isle to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by the Predecessor Vic Van Isle in favour of HCC
2. Guarantee dated August 21, 2020 granted by the Predecessor Vic Van Isle in favour of HCC
3. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, WI, Lortap and GBS
4. Blocked Account Agreement dated August 21, 2020 amongst Bank of Montreal, the Predecessor Vic Van Isle and HCC
5. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, WI and Lortap in favour of HCC
6. Priority Agreement dated August 21, 2020 amongst Business Development Bank of Canada, HCC, WI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986 and Wood-Nor
7. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, WI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star
8. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, WI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "B"

The documents previously granted by GBS to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by GBS in favour of HCC
2. Guarantee dated August 21, 2020 granted by GBS in favour of HCC
3. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, WI, Lortap and GBS
4. Blocked Account Agreement dated August 21, 2020 amongst Bank of Montreal, GBS and HCC
5. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, WI and Lortap in favour of HCC
6. Priority Agreement dated August 21, 2020 amongst Business Development Bank of Canada, HCC, WI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986 and Wood-Nor
7. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, WI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star
8. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, WI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "C"

The documents previously granted by Five Star to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by Five Star in favour of HCC
2. Guarantee dated August 21, 2020 granted by Five Star in favour of HCC
3. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, WI, Lortap and GBS
4. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, WI and Lortap in favour of HCC
5. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, WI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star
6. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, WI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "D"

The documents previously granted by GBS 1986 to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by GBS 1986 in favour of HCC
2. Mortgage in the principal amount of \$6M granted by GBS 1986 in favour of HCC
3. Guarantee dated August 21, 2020 granted by GBS 1986 in favour of HCC
4. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, WI, Lortap and GBS
5. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, WI and Lortap in favour of HCC
6. Environmental Indemnity dated August 21, 2020 granted by GBS 1986 in favour of HCC
7. Priority Agreement dated August 21, 2020 amongst Business Development Bank of Canada, HCC, WI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986 and Wood-Nor
8. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, WI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star
9. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, WI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "E"

The documents previously granted by Wood-Nor to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by Wood-Nor in favour of HCC
2. Guarantee dated August 21, 2020 granted by Wood-Nor in favour of HCC
3. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, WI, Lortap and GBS
4. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, WI and Lortap in favour of HCC
5. Priority Agreement dated August 21, 2020 amongst Business Development Bank of Canada, HCC, WI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986 and Wood-Nor
6. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, WI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star
7. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, WI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "F"

The documents previously granted by WI to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by WI in favour of HCC
2. Guarantee dated August 21, 2020 granted by WI in favour of HCC
3. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, WI, Lortap and GBS
4. Blocked Account Agreement dated August 21, 2020 amongst Bank of Montreal, WI and HCC
5. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, WI and Lortap in favour of HCC
6. Priority Agreement dated August 21, 2020 amongst Business Development Bank of Canada, HCC, WI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986 and Wood-Nor
7. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, WI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star
8. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, WI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "G"

The documents previously granted by Lortap to HCC are as follows:

1. General Security Agreement dated August 21, 2020 granted by Lortap in favour of HCC
2. Guarantee dated August 21, 2020 granted by Lortap in favour of HCC

3. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, WI, Lortap and GBS
4. Blocked Account Agreement dated August 21, 2020 amongst Bank of Montreal, Lortap and HCC
5. Assignment of Insurance dated August 21, 2020 granted by the Predecessor Vic Van Isle, GBS, Five Star, GBS 1986, Wood-Nor, WI and Lortap in favour of HCC
6. Priority Agreement dated August 21, 2020 amongst Business Development Bank of Canada, HCC, WI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986 and Wood-Nor
7. Priority Agreement dated August 21, 2020 amongst Intact Insurance Company, HCC, WI, the Predecessor Vic Van Isle, Lortap, GBS, GBS 1986, Wood-Nor and Five Star
8. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, WI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton

SCHEDULE "H"

The documents previously granted by Hendrickson, Walker and Hampton to HCC are as follows:

1. Guarantee dated August 21, 2020 granted by Hendrickson in favour of HCC
2. Guarantee dated August 21, 2020 granted by Walker in favour of HCC
3. Guarantee dated August 21, 2020 granted by Hampton in favour of HCC
4. Postponement dated August 21, 2020 amongst Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker, Hampton, the Predecessor Vic Van Isle, WI, Lortap and GBS
5. Acknowledgement and Confirmation dated March 18, 2021 granted by the Predecessor Vic Van Isle, WI, Lortap, GBS, Five Star, GBS 1986, Wood-Nor, Hendrickson, Walker and Hampton
6. Guarantee dated March 18, 2021 granted by Hendrickson in favour of HCC
7. Guarantee dated March 18, 2021 granted by Walker in favour of HCC
8. Guarantee dated March 18, 2021 granted by Hampton in favour of HCC

This is Exhibit “J” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

Iqbal, Asim

From: McLaughlin, Mauryah <mauryah.mclaughlin@dentons.com>
Sent: Tuesday, April 5, 2022 5:23 PM
To: Iqbal, Asim
Cc: Antonopoulos, George; Chan, Wilfred
Subject: **[**EXT**]** VVI - Hitachi Land Interest

Hi Asim,

Thanks for the call moments ago. To summarize our discussion:

1. Urban Enterprises Corp. will enter into an agreement to the purchase VVI's lands for \$5.6 million. It will provide \$600k as a deposit to VVI for immediate use.
2. Urban's Enterprises' nominee will enter into an agreement with Hitachi to acquire its debt and all security against the lands (the "**Purchased Debt**"), but not the debt associated with the equipment or any security against the equipment.
3. Assuming step 2 occurs, Hitachi agrees that upon receipt of the purchase price or the Purchase Debt, it will assign any and all interest it has in VVI's lands.
4. The PSA for the assignment of the debt will expressly confirm that Hitachi takes no further security or interest in VVI's lands.
5. Intention is to close the debt purchase by Monday. Hitachi is working on the assignment documents now.

Can you please confirm as discussed.

Would be great if you could also provide the purchase price for the purchased debt so there are no surprises but more urgently we would like to ensure alignment between Urban and Hitachi on the above.

Thank you,

Mauryah



Mauryah N. A. McLaughlin
Senior Associate

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mauryah.mclaughlin@dentons.com
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Please report any suspicious attachments, links, or requests for sensitive information.

Veillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspectes.

This is Exhibit “K” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

Iqbal, Asim

From: McLaughlin, Mauryah <mauryah.mclaughlin@dentons.com>
Sent: Tuesday, April 12, 2022 7:27 PM
To: Iqbal, Asim; Newbery, Emma; Rosenstein, Kenneth
Cc: Philippe Frenette; Antonopoulos, George; Gandhi, Arjun; Chan, Wilfred
Subject: RE: Hitachi - VVI - Partial Assignment of Debt and Security [MTDMS-Legal.FID11206785]
Attachments: 61483094_6_Partial Assignment of Debt and Security Agreement.DOCX; Blackline.pdf

Hi Asim,

Attached please find our comments on the partial assignment agreement. We note that we are providing you this draft concurrent with the assignee in the interest of time, and so further comments may be forthcoming.

To that end, the intended assignee has been identified (Rick Kojfman). Would you please provide access to Rick and Jordan to the data room to:


Rick Kojfman RKojfman@wpci.com
Jordan Slipacoff Jordan.Slipacoff@wpci.com

Finally, we are wondering what the intention is as to the assignment of insurance from a practical perspective. Is the intention to assign all of the interest in the policy such that the assignee is the first loss payee?

We would ask again that, in line with the good faith efforts of the Redekopp Group so far in this transaction, having reviewed all of the security and the assignment agreement in the past 5 days, that Hitachi consider extending the forbearance agreement. We are already Tuesday. Friday seems like an appropriate date to extend to.

Thank you,

Mauryah

 **Mauryah N. A. McLaughlin**
Senior Associate

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mauryah.mclaughlin@dentons.com
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From: Iqbal, Asim <aiqbal@millertomson.com>
Sent: Tuesday, April 12, 2022 10:00 AM
To: Newbery, Emma <emma.newbery@dentons.com>; McLaughlin, Mauryah <mauryah.mclaughlin@dentons.com>;
Rosenstein, Kenneth <krosenstein@millertomson.com>
Cc: Philippe Frenette <pfrenette@mhccna.com>; Antonopoulos, George <george.antonopoulos@dentons.com>;
Gandhi, Arjun <agandhi@millertomson.com>; Chan, Wilfred <wilfred.chan@dentons.com>
Subject: Re: Hitachi - VVI - Partial Assignment of Debt and Security [MTDMS-Legal.FID11206785]

[WARNING: EXTERNAL SENDER]

Thanks Emma. There is no blocked account agreement with glacier 1985 or 1986. Only GBS, which you have.

Get [Outlook for iOS](#)

ASIM IQBAL
Partner

Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario M5H 3S1
Direct Line: +1 416.597.6008
Fax: +1 416.595.8695
Email: aiqbal@millertomson.com
millertomson.com



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From: Newbery, Emma <emma.newbery@dentons.com>
Sent: Tuesday, April 12, 2022 11:54:09 AM
To: McLaughlin, Mauryah <mauryah.mclaughlin@dentons.com>; Rosenstein, Kenneth <krosenstein@millertomson.com>
Cc: Iqbal, Asim <aiqbal@millertomson.com>; Philippe Frenette <pfrenette@mhccna.com>; Antonopoulos, George <george.antonopoulos@dentons.com>; Gandhi, Arjun <agandhi@millertomson.com>; Chan, Wilfred <wilfred.chan@dentons.com>
Subject: RE: Hitachi - VVI - Partial Assignment of Debt and Security [MTDMS-Legal.FID11206785]

Hi all,

Thank you for the documents from yesterday and this morning, I think we are still missing:

- The amendment to the credit agreement signed by HCC;
- The BDC Priority Agreement signed by BDC; and
- A blocked account agreement with Glacier.

Those are three key agreements that we need to finalize our security review.

Thanks!
Emma



Emma Newbery
Associate

My [pronouns](#) are: She/Her/Hers

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From: McLaughlin, Mauryah <mauryah.mclaughlin@dentons.com>

Sent: Tuesday, April 12, 2022 6:57 AM

To: Rosenstein, Kenneth <krosenstein@millერთhompson.com>

Cc: Iqbal, Asim <aiqbal@millერთhompson.com>; Newbery, Emma <emma.newbery@dentons.com>; Philippe Frenette <pfrenette@mhccna.com>; Antonopoulos, George <george.antonopoulos@dentons.com>; Gandhi, Arjun <agandhi@millერთhompson.com>; Chan, Wilfred <wilfred.chan@dentons.com>

Subject: Re: Hitachi - VVI - Partial Assignment of Debt and Security [MTDMS-Legal.FID11206785]

I haven't even opened the latest one, but it is an amendment to a loan agreement not an officer's certificate. We are reviewing and our instruction is to proceed as quickly as we can. I will have comments to you as soon as I can on the assignment agreement, likely today. Thanks



Mauryah N. A. McLaughlin
Senior Associate

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On Apr 12, 2022, at 10:52 AM, Rosenstein, Kenneth <krosenstein@millertomson.com> wrote:

[WARNING: EXTERNAL SENDER]

Understood but bottom line is that you have seen security docs and registrations to determine perfection and priority which is all that matters to determine that you have Good debt and security to purchase. the ancillary documents should not be as important to get this done and we should flush out any material issues with the assignment doc and structure while you complete your review. Please let us know if you have any comments on the assignment doc. Thx,

Kenneth R. Rosenstein
Partner
National Leader, Financial Services
Member of the Ontario and Alberta Bars
Direct Line: 416.595.7923

KENNETH R. ROSENSTEIN

Providing services on behalf of a Professional Corporation

Partner
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Email: krosenstein@millertomson.com
millertomson.com



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On Apr 12, 2022, at 9:48 AM, McLaughlin, Mauryah
<mauryah.mclaughlin@dentons.com> wrote:

It's difficult to say as there are still documents being uploaded (just received another one minutes ago).



Mauryah N. A. McLaughlin
Senior Associate

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From: Iqbal, Asim <aiqbal@millertomson.com>
Sent: Tuesday, April 12, 2022 7:29 AM
To: McLaughlin, Mauryah <mauryah.mclaughlin@dentons.com>; Rosenstein, Kenneth <krosenstein@millertomson.com>
Cc: Newbery, Emma <emma.newbery@dentons.com>; Philippe Frenette <pfrenette@mhccna.com>; Antonopoulos, George <george.antonopoulos@dentons.com>; Gandhi, Arjun <agandhi@millertomson.com>; Chan, Wilfred <wilfred.chan@dentons.com>
Subject: RE: Hitachi - VVI - Partial Assignment of Debt and Security [MTDMS-Legal.FID11206785]

[WARNING: EXTERNAL SENDER]

Thanks. Any idea on an eta of when that will be?

ASIM IQBAL
Partner

Miller Thomson LLP
Scotia Plaza

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Fax: +1 416.595.8695
Email: aiqbal@millertthomson.com
millertthomson.com



Please consider the environment before printing this email.

From: McLaughlin, Mauryah <mauryah.mclaughlin@dentons.com>
Sent: Tuesday, April 12, 2022 9:28 AM
To: Iqbal, Asim <aiqbal@millertthomson.com>; Rosenstein, Kenneth <krosenstein@millertthomson.com>
Cc: Newbery, Emma <emma.newbery@dentons.com>; Philippe Frenette <pfrenette@mhccna.com>; Antonopoulos, George <george.antonopoulos@dentons.com>; Gandhi, Arjun <agandhi@millertthomson.com>; Chan, Wilfred <wilfred.chan@dentons.com>
Subject: [**EXT**] RE: Hitachi - VVI - Partial Assignment of Debt and Security [MTDMS-Legal.FID11206785]

Asim,

We are continuing our review in conjunction with the latest provided security documents and will be in touch as soon as we can.

Regards,

Mauryah



Mauryah N. A. McLaughlin
Senior Associate

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D +1 403 268 7091 | M +1 403 605 6197
mauryah.mclaughlin@dentons.com
Bio | Website

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15th Floor, Bankers Court, 850 - 2nd Street SW Calgary, AB T2P 0R8 Canada

Fernanda Lopes & Associados > Guevara & Gutierrez > Paz Horowitz Abogados > Sirote > Ade Caxton-Martins Agbor & Segun > Davis Brown > East African Law Chambers > Eric Silwamba, and Linyama > Durham Jones & Pinegar > LEAD Advogados > Rattagan Macchiavello Arcena Jimenez de Aréchaga, Viana & Brause > For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

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From: Iqbal, Asim <aiqbal@millertomson.com>
Sent: Tuesday, April 12, 2022 7:27 AM
To: McLaughlin, Mauryah <mauryah.mclaughlin@dentons.com>; Rosenstein, Kenneth <krosenstein@millertomson.com>
Cc: Newbery, Emma <emma.newbery@dentons.com>; Philippe Frenette <pfrenette@mhccna.com>; Antonopoulos, George <george.antonopoulos@dentons.com>; Gandhi, Arjun <agandhi@millertomson.com>; Chan, Wilfred <wilfred.chan@dentons.com>
Subject: RE: Hitachi - VVI - Partial Assignment of Debt and Security [MTDMS-Legal.FID11206785]
Importance: High

[WARNING: EXTERNAL SENDER]

Hello all,

Wanted to follow up on your comments to this agreement. If there are any structural or big picture issues, let's get on a call today to discuss?

Thanks,
Asim

ASIM IQBAL
Partner

Miller Thomson LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, Ontario M5H 3S1
Direct Line: +1 416.597.6008
Fax: +1 416.595.8695
Email: aiqbal@millertomson.com
millertomson.com



Please consider the environment before printing this email.

From: Iqbal, Asim <aiqbal@millertomson.com>
Sent: Friday, April 8, 2022 7:03 PM
To: McLaughlin, Mauryah <mauryah.mclaughlin@dentons.com>; Rosenstein, Kenneth <krosenstein@millertomson.com>
Cc: Newbery, Emma <emma.newbery@dentons.com>; Philippe Frenette <pfrenette@mhccna.com>; Antonopoulos, George <george.antonopoulos@dentons.com>; Gandhi, Arjun <agandhi@millertomson.com>; Chan, Wilfred <wilfred.chan@dentons.com>
Subject: Hitachi - VVI - Partial Assignment of Debt and Security [MTDMS-

Legal.FID11206785]

Importance: High

All,

Further to our calls and discussions, please find attached a draft partial assignment of debt and security for your review. I also uploaded this version onto Closing Folders.

Please note the version uploaded on the Closing Folders does not have Schedule "A" populated. We just added that to this version and I will upload that to Closing Folders now as v2.

Happy to jump on a call to discuss and work through any issues.

Asim

ASIM IQBAL

Partner

Miller Thomson LLP

Scotia Plaza

40 King Street West, Suite 5800

P.O. Box 1011

Toronto, Ontario M5H 3S1

Direct Line: +1 416.597.6008

Fax: +1 416.595.8695

Email: aiqbal@millert Thomson.com

millert Thomson.com



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Veillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspects.

This is Exhibit “L” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



Personal and Confidential

April 5, 2022

Urban Enterprises Corp. 131 Panorama Hills Bay NW Calgary, AB T3K 4X4 Attention: Ray Redekopp	
---	--

Dear Sirs:

RE: Indebtedness of Vic Van Isle Construction Ltd., as successor by amalgamation, Lortap Enterprises Ltd. and VVI Construction Ltd. (“VVI”) owing to Mitsubishi HC Capital Canada, Inc. (formerly Hitachi Capital Canada Corp. (“HCC”)) (the “Lender”)

We refer to the forbearance agreement dated March 9, 2022 among the Lender, the Borrowers and others (the “**Forbearance Agreement**”). Capitalized terms used but not defined in this letter are defined in the Forbearance Agreement.

You have advised us that you or your nominee wish to purchase from the Lender a portion of the Indebtedness and Security (the “**Assignment Transaction**”). You have requested that the Lender continue to forbear from enforcing its rights against the Borrowers for a short period while you and the Lender negotiate in good faith to memorialize the Assignment Transaction.

The Lender is prepared to continue to forbear from enforcing its rights against the Borrowers until the earlier of:

1. the occurrence of any new or additional Event of Default under the Forbearance Agreement after the date of this letter (a “**New Default**”). For greater certainty, certain defaults under the Forbearance Agreement have occurred that are continuing (the “**Existing Defaults**”). The Lender has not waived these Existing Defaults, but the Lender is prepared to tolerate the Existing Defaults so long as the parties are working in good faith towards finalizing the Assignment Transaction and no New Default occurs;
2. the closing of the Assignment Transaction; and
3. Monday, April 11, 2022.

We trust the foregoing is satisfactory.

Sincerely

A handwritten signature in black ink, appearing to read "D. Gladu", written over a white background.

David Gladu, CRO, Canada
for

Philippe Frenette, Vice President
Factoring & Asset-Based Lending

This is Exhibit “M” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



Personal and Confidential

April 27, 2022

<p>Vic Van Isle Construction Ltd. Lortap Enterprises Ltd. VVI Construction Ltd.</p> <p>96 Cartier St. Revelstoke, British Columbia VOE 2S0</p> <p>Attention: Kenneth Lewis Hendrickson</p>	<p>Kenneth Lewis Hendrickson 1593 Nichol Road Revelstoke, British Columbia VOE 2S0</p> <p>Bruce Walker 1240 Industrial Road Kelowna, British Columbia V1Z 1G5</p> <p>Jamie Gordon Hampton 4456 Airport Way Revelstoke, British Columbia VOE 2S3</p>
---	---

Dear Sirs:

RE: Partial Repayment of Indebtedness and discharge of a certain charge and related assignment of rents in connection with the real property legally described as: (i) Lot 5 Section 26 Township 23 Range 2 West of the 6th Meridian Kootenay District Plan 10022 with an assigned parcel identifier of 012-987-409; (ii) Parcel A (See XD26998) Township 23 Range 2 West of the 6th Meridian Kootenay District Plan 10022 with an assigned parcel identifier of 016-287-151; and (iii) Lot 2 Section 26 Township 23 Range 2 West of the 6th Meridian Kootenay District Plan 10022 with an assigned parcel identifier of 009-514-325 (collectively, the “Lands”) [NTD: Under review]

Recitals

- A. We refer to the Secured Revolving Credit Agreement dated August 21, 2020 among the Lender, as lender, and Vic Van Isle Construction Ltd. (“**Predecessor Vic Van Isle**”), VVI, Lortap Enterprises Ltd. (“**Lortap**”) and Glacier Building Supplies Ltd. (“**GBS**”, and together with Predecessor Vic Van Isle, VVI and Lortap, “**Initial Borrowers**”), as borrowers, and Five Star Management Ltd. (“**Five Star**”), Glacier Building Supplies (1986) Ltd. (“**GBS 1986**”) and Wood-Nor Construction Ltd. (“**Wood-Nor**”, and together with Five Star and GBS 1986, “**Corporate Guarantors**”), as corporate guarantors, and Kenneth Lewis Hendrickson (“**Hendrickson**”), Bruce Walker (“**Walker**”), Jamie Gordon Hampton (“**Hampton**”, and, together with Hendrickson and Walker, the “**Personal Guarantors**”, and Personal Guarantors together with the Corporate Guarantors are referred to herein as, “**Guarantors**”), as individual guarantors, as amended by an amending agreement dated March 18, 2021, pursuant to which Lender extended to Borrowers a secured demand revolving credit facility (the “**Revolver**”) up to the lesser of: (i) \$4,000,000; and (ii) the Borrowing Base Limit (as defined in the Loan Agreement) (as amended, the “**Loan Agreement**”).
- B. In addition to all other security held by Lender, GBS 1986 granted a second-ranking charge in favour of Lender in the principal amount of \$6,000,000 against the Lands that is registered under



registration number CA8373894 together with an assignment of rents registered under registration number CA8373895 (collectively, the "**Collateral Mortgage**"). [NTD: Under review]

- C. Effective April 1, 2021, Predecessor Vic Van Isle, GBS, GBS 1986, Five Star and Wood-Nor, amalgamated under the laws of the Province of British Columbia to form Vic Van Isle Construction Ltd. with the incorporation number BC1297594 ("**Amalco**") as successor corporation by amalgamation. In this Agreement, Amalco, VVI and Lortap are collectively referred to as "**Borrowers**".
- D. As at February 28, 2022, the aggregate amount outstanding under the Loan Agreement including outstanding principal, accrued interest and costs is \$3,607,757.06 (plus interest and costs, including legal fees, until the date of repayment, the "**Indebtedness**").
- E. Unless otherwise defined, capitalized terms used in this Letter are given the meanings ascribed to such terms in the Loan Agreement.
- F. Amalco has agreed to sell the Lands to Urban Enterprises Corp. and its nominees or assignees (the "**Purchaser**") and Amalco has requested (the "**Real Property Sale**") the Lender consent to the Real Property Sale and consent to discharge the Collateral Mortgage. The Borrower, the Lender and the Purchaser have agreed to direct and apply \$1.65 million of the net sale proceeds from the Real Property Sale in partial reduction of the Indebtedness.
- G. Borrowers advise the Lender that the Purchaser has paid a deposit of at least \$300,000 prior to the date hereof (the "**Initial Deposit**") in respect of the Real Property Sale and the Initial Deposit has been released to Amalco for its own working capital and payment of payroll purposes which amount will be considered to be applied to the gross aggregate amount of the purchase price in respect of the Real Property Sale.
- H. The Lender has agreed to provide such consent and discharge on and subject to the terms and conditions contained in this letter.
1. Credit Parties acknowledge that each of the foregoing recitals is true and correct.
 2. The Lender agrees to discharge the Collateral Mortgage subject to:
 - a. its receipt of the amount of \$1.65 million as directed by the Borrowers to the Purchaser to pay the Lender from the proceeds of the Real Property Sale in partial reduction of the Indebtedness; and
 - b. Evidence satisfactory to the Lender in its sole discretion that the Borrowers have received a further deposit of at least \$300,000 (the "**Additional Deposit**" and together with the Initial Deposit, the "**Deposits**") from the Purchaser in connection with the Real Property Sale and that the Purchaser has acknowledged and agreed that the Deposits shall be immediately released to Amalco for its own working capital and payment of payroll purposes which amount will be considered to be applied to the gross aggregate amount of the purchase price in respect of the Real Property Sale.



3. Credit Parties confirm that, other than the Collateral Mortgage, all other Indebtedness and any security granted by any Credit Party to secure payment and performance of such Indebtedness (directly or pursuant to a guarantee) following the Partial Repayment shall remain in full force and effect and continue to secure payment and performance of all such remaining Indebtedness owing to the Lender.
4. Credit Parties hereby each absolutely and unconditionally release Lender, its officers, directors, employees, agents and counsel (collectively, the "**Releasees**") of and from any and all claims that any Credit Party may have in respect of the Releasees up to and including the date hereof including, without limitation, any actions taken by Lender in dealing with Borrowers, the Guarantors, the Loan Agreement, any security, the discharge of the Collateral Mortgage, or the Indebtedness.
5. Each of the Credit Parties represents and warrants to and in favour of Lender that it has retained and consulted independent legal counsel and received the benefit of independent legal advice in connection with its rights and obligations hereunder.

[Signature page follows]



IN WITNESS WHEREOF, the parties hereto agree to the terms in this Agreement effective on the date set out above

LENDER:

**MITSUBISHI HC CAPITAL CANADA,
INC. (FORMERLY HITACHI CAPITAL
CANADA CORP.)**

Per:

A handwritten signature in blue ink, appearing to read "Philippe Frenette", written over a horizontal line.

Philippe Frenette, Vice President,
Factoring & Asset-Based Lending

I have authority to bind Lender.

BORROWERS:

VIC VAN ISLE CONSTRUCTION LTD.

Per:

Kenneth Lewis Hendrickson,
Authorized Signatory

I have authority to bind the
corporation.

LORTAP ENTERPRISES LTD.

Per:

Kenneth Lewis Hendrickson,
Authorized Signatory

I have authority to bind the
corporation.



IN WITNESS WHEREOF, the parties hereto agree to the terms in this Agreement effective on the date set out above

LENDER:

**MITSUBISHI HC CAPITAL CANADA,
INC. (FORMERLY HITACHI CAPITAL
CANADA CORP.)**

Per:

**Philippe Frenette, Vice President,
Factoring & Asset-Based Lending**

I have authority to bind Lender.

BORROWERS:

VIC VAN ISLE CONSTRUCTION LTD.

Per:



**Kenneth Lewis Hendrickson,
Authorized Signatory**

I have authority to bind the
corporation.

LORTAP ENTERPRISES LTD.

Per:



**Kenneth Lewis Hendrickson,
Authorized Signatory**

I have authority to bind the
corporation.



VVI CONSTRUCTION LTD.

Per: 
Kenneth Lewis Hendrickson,
Authorized Signatory

I have authority to bind the
corporation.

GUARANTORS:


Kenneth Lewis Hendrickson

Bruce Walker


Jamie Gordon Hampton



VVI CONSTRUCTION LTD.

Per: _____

Kenneth Lewis Hendrickson,
Authorized Signatory

I have authority to bind the
corporation.

GUARANTORS:

Kenneth Lewis Hendrickson

Bruce Walker

Jamie Gordon Hampton

This is Exhibit “N” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



Personal and Confidential

July 6, 2022

<p>Vic Van Isle Construction Ltd. Lortap Enterprises Ltd. VVI Construction Ltd.</p> <p>96 Cartier St. Revelstoke, British Columbia VOE 2S0</p> <p>Attention: Kenneth Lewis Hendrickson</p>	<p>Kenneth Lewis Hendrickson 1593 Nichol Road Revelstoke, British Columbia VOE 2S0</p> <p>Bruce Walker 1240 Industrial Road Kelowna, British Columbia V1Z 1G5</p> <p>Jamie Gordon Hampton 4456 Airport Way Revelstoke, British Columbia VOE 2S3</p>
---	---

Dear Sirs:

RE: Partial Repayment of Indebtedness and discharge of a certain charge and related assignment of rents in connection with the real property legally described as: (i) Lot 5 Section 26 Township 23 Range 2 West of the 6th Meridian Kootenay District Plan 10022 with an assigned parcel identifier of 012-987-409 ("95 Cartier"); (ii) Parcel A (See XD26998) Township 23 Range 2 West of the 6th Meridian Kootenay District Plan 10022 with an assigned parcel identifier of 016-287-151 ("96 Cartier"); and (iii) Lot 2 Section 26 Township 23 Range 2 West of the 6th Meridian Kootenay District Plan 10022 with an assigned parcel identifier of 009-514-325 ("1300 Powerhouse" and collectively with 95 Cartier and 96 Cartier, the "Lands")

Recitals

- A. We refer to the Secured Revolving Credit Agreement dated August 21, 2020 among the Lender, as lender, and Vic Van Isle Construction Ltd. ("**Predecessor Vic Van Isle**"), VVI, Lortap Enterprises Ltd. ("**Lortap**") and Glacier Building Supplies Ltd. ("**GBS**", and together with Predecessor Vic Van Isle, VVI and Lortap, "**Initial Borrowers**"), as borrowers, and Five Star Management Ltd. ("**Five Star**"), Glacier Building Supplies (1986) Ltd. ("**GBS 1986**") and Wood-Nor Construction Ltd. ("**Wood-Nor**", and together with Five Star and GBS 1986, "**Corporate Guarantors**"), as corporate guarantors, and Kenneth Lewis Hendrickson ("**Hendrickson**"), Bruce Walker ("**Walker**"), Jamie Gordon Hampton ("**Hampton**", and, together with Hendrickson and Walker, the "**Personal Guarantors**", and Personal Guarantors together with the Corporate Guarantors are referred to herein as, "**Guarantors**"), as individual guarantors, as amended by an amending agreement dated March 18, 2021, pursuant to which Lender extended to Borrowers a secured demand revolving credit facility (the "**Revolver**") up to the lesser of: (i) \$4,000,000; and (ii) the Borrowing Base Limit (as defined in the Loan Agreement) (as amended, the "**Loan Agreement**").



- B. In addition to all other security held by Lender, GBS 1986 granted a second-ranking charge in favour of Lender in the principal amount of \$6,000,000 against the Lands that is registered under registration number CA8373894 together with an assignment of rents registered under registration number CA8373895 (collectively, the "**Collateral Mortgage**").
- C. Effective April 1, 2021, Predecessor Vic Van Isle, GBS, GBS 1986, Five Star and Wood-Nor, amalgamated under the laws of the Province of British Columbia to form Vic Van Isle Construction Ltd. with the incorporation number BC1297594 ("**Amalco**") as successor corporation by amalgamation. In this Agreement, Amalco, VVI and Lortap are collectively referred to as "**Borrowers**".
- D. As at June 27, 2022, the aggregate amount outstanding under the Loan Agreement including outstanding principal, accrued interest and costs is \$2,918,142.72 (plus interest and costs, including legal fees, until the date of repayment, the "**Indebtedness**").
- E. Unless otherwise defined, capitalized terms used in this Letter are given the meanings ascribed to such terms in the Loan Agreement.
- F. Amalco has agreed to sell the Lands (the "**Real Property Sale**") to Urban Enterprises Corp. and its nominees or assignees (each a "**Purchaser**" and collectively, the "**Purchasers**") and the Borrower has requested the Lender consent to the Real Property Sale and consent to discharge the Collateral Mortgage. The Borrower and the Purchasers have agreed to direct \$1.65 million of the net sale proceeds from the Real Property Sale, or other sources acceptable to the Lender including the sale of 95 Cartier and 1300 Powerhouse that the Borrower advises are scheduled to close on or before July 6, 2022, in partial reduction of the Indebtedness (the "**Payout Funds**").
- G. As a condition of the sale of 1300 Powerhouse, the Purchaser of 1300 Powerhouse requires that certain easements for parking and access that is registered under registration number CA5652961 (in the case of 1300 Powerhouse as servient tenement) and CA5652963 (in the case of 96 Cartier as servient tenement) be fully discharged (the "**Easement Discharges**") and replaced with a replacement easement over 1300 Powerhouse for access only to be submitted for registration concurrently with the filings for transfer of title of such real property and only to be registered on title in the order and as set out on Schedule C hereto, in accordance with the undertakings of BDV (as defined below) attached hereto as Schedule D and upon Lender's indefeasible receipt of the Payout Funds (the "**Filing Conditions and Procedure**").
- H. The Lender has agreed to provide such consent and discharges on and subject to the terms and conditions contained in this letter.
 - 1. Credit Parties acknowledge that each of the foregoing recitals is true and correct.
 - 2. The Lender agrees to deliver the Easement Discharges, executed by the Lender in registrable form, to Brooke Downs Vennard LLP ("**BDV**"), in its capacity as legal counsel for the Purchaser of 1300 Powerhouse and 95 Cartier, to be held in escrow prior to closing on July 6, 2022 on BDV's solicitor's undertakings to only release and file the Easement Discharges subject to and



strictly in accordance with the Filing Conditions and Procedure in connection with the transfer of titles for 1300 Powerhouse and 95 Cartier and for no other purposes.

3. The Lender agrees to deliver a registrable discharge of the Collateral Mortgage to BDV, prior to July 6, 2022 to be held in escrow pending the Lender's indefeasible receipt of the Payout Funds, on BDV's solicitor's undertakings to not release or submit the discharge of Collateral Mortgage for registration until Lender's indefeasible receipt of the Payout Funds in the manner described below upon closing of the sale of 1300 Powerhouse and 95 Cartier and the Lender further agrees to discharge any and all other interest the Lender may have in and to the Lands, including and without limitation, any insurance proceeds derived therefrom, subject to its indefeasible receipt of the amount of the Payout Funds on or before 4:00 p.m. on July 6, 2022 in accordance with the wire instructions set out on Schedule A as follows:
 - a. the amount of the Payout Funds as directed by the Borrower to the Purchaser of 1300 Powerhouse and 95 Cartier pursuant to one or more directions, which are attached hereto as Schedule B, to pay the Lender from the proceeds of the Real Property Sale of 1300 Powerhouse and 95 Cartier in partial reduction of the Indebtedness; and
 - b. its indefeasible receipt of the Payout Funds from BDV in connection with the sale of 1300 Powerhouse and 95 Cartier in partial reduction of the Indebtedness, by way of wire transfer or deposit of certified trust cheque or bank draft issued by any financial institution listed in Schedule I of the *Bank Act* (Canada) to the Lender's account set out in Schedule A hereto.

For clarity, the registrable discharge of the Collateral Mortgage will be for the Lands notwithstanding that the source of funds are derived from the sale of 1300 Powerhouse and 95 Cartier.

4. Credit Parties confirm that, other than the Collateral Mortgage, all other Indebtedness and any and all other security granted by any Credit Party to secure payment and performance of such Indebtedness (directly or pursuant to any guarantee) following the Partial Repayment shall remain in full force and effect and continue to secure payment and performance of all such remaining Indebtedness owing to the Lender.
5. Credit Parties hereby each absolutely and unconditionally release Lender, its officers, directors, employees, agents and counsel (collectively, the "**Releasees**") of and from any and all claims that any Credit Party may have in respect of the Releasees up to and including the date hereof including, without limitation, any actions taken by Lender in dealing with Borrowers, the Guarantors, the Loan Agreement, any security, the discharge of the Collateral Mortgage, or the Indebtedness.
6. Each of the Credit Parties represents and warrants to and in favour of Lender that it has retained and consulted independent legal counsel and received the benefit of independent legal advice in connection with its rights and obligations hereunder.

[Signature page follows]



IN WITNESS WHEREOF, the parties hereto agree to the terms in this Agreement effective on the date set out above

LENDER:

**MITSUBISHI HC CAPITAL CANADA,
INC. (FORMERLY HITACHI CAPITAL
CANADA CORP.)**

Per:

A handwritten signature in black ink, appearing to read "Philippe Frenette", written over a horizontal line.

Philippe Frenette, Vice President,
Factoring & Asset-Based Lending

I have authority to bind Lender.

BORROWERS:

VIC VAN ISLE CONSTRUCTION LTD.

Per:

Kenneth Lewis Hendrickson,
Authorized Signatory

I have authority to bind the
corporation.

LORTAP ENTERPRISES LTD.

Per:

Kenneth Lewis Hendrickson,
Authorized Signatory

I have authority to bind the
corporation.



IN WITNESS WHEREOF, the parties hereto agree to the terms in this Agreement effective on the date set out above

LENDER:

**MITSUBISHI HC CAPITAL CANADA,
INC. (FORMERLY HITACHI CAPITAL
CANADA CORP.)**

Per:


Philippe Frenette, Vice President,
Factoring & Asset-Based Lending

I have authority to bind Lender.

BORROWERS:

VIC VAN ISLE CONSTRUCTION LTD.


Per:


Kenneth Lewis Hendrickson,
Authorized Signatory

I have authority to bind the
corporation.

LORTAP ENTERPRISES LTD.

Per:


Kenneth Lewis Hendrickson,
Authorized Signatory

I have authority to bind the
corporation.



VVI CONSTRUCTION LTD.

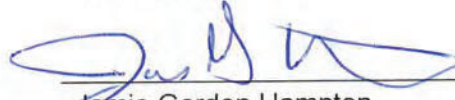
Per: 
Kenneth Lewis Hendrickson,
Authorized Signatory

I have authority to bind the
corporation.

GUARANTORS:


Kenneth Lewis Hendrickson

Bruce Walker


Jamie Gordon Hampton



VVI CONSTRUCTION LTD.

Per: _____

Kenneth Lewis Hendrickson,
Authorized Signatory

I have authority to bind the
corporation.

GUARANTORS:

Kenneth Lewis Hendrickson

Bruce Walker

Jamie Gordon Hampton



Schedule "A"
Wire Transfer Instructions

QUÉBEC - EASTERN | EST CANADA
2200, de la Sidbec Sud
Trois-Rivières (Québec) G8Z 4H1
T 855 840-1298

ONTARIO - WESTERN | OUEST CANADA
3390 South Service Road, suite 301
Burlington, Ontario L7N 3J5
T 855 840-1298



INSTRUCTIONS POUR : PAIEMENT À RECEVOIR
INSTRUCTIONS FOR: PAYMENT RECEIVABLE

Centre de Paiements / *Payment Center*
 600 de la Gauchetière Ouest
 5^e étage
 Montréal (Québec) H3B 4L3
 Canada
 Tél : +1 514 394-6600 ou sans frais au / *or toll free at* 1 888 322-1763

SWIFT MT103**BANQUE NATIONALE DU CANADA / NATIONAL BANK OF CANADA**Montréal, Canada / *Montreal, Canada*Code BIC / *BIC code* : BNDCA333**(57) PAIEMENT À / PAYMENT TO:**

Code de banque :

Bank code: CC0006

Transit de la succursale :

Branch transit: 14171

Adresse de la succursale :

*Branch address:***BANQUE NATIONALE DU CANADA / NATIONAL BANK OF CANADA**

121 Rue King Ouest

N^o civique, rue, app. / *No., street, apt.*

Toronto

Ville / *City*

Ontario

Province

Canada M5H 3T9

Pays / *Country***(59) BÉNÉFICIAIRE / IN FAVOUR OF :**N^o du compte :*Account no.:* 1098120

Prénom et nom du bénéficiaire /

Nom de l'entreprise :

*First and last name of**beneficiary/Name of business:*

MITSUBISHI HC CAPITAL CANADA, INC.

Adresse du bénéficiaire :

Address of beneficiary:

301-3390 South Service Road

N^o civique, rue, app. / *No., street, apt.*

Burlington

Ville / *City*

Ontario

Province

Canada L7N 3J5

Pays / *Country***(56) BANQUE INTERMÉDIAIRE (facultatif)** / INTERMEDIARY BANK (optional)** :**Banque / *Bank* :Ville / *City* :Pays / *Country* :Code SWIFT / *SWIFT code* :**(70) RAISON DU PAIEMENT / REASON FOR PAYMENT :**(Ex. : N^o de facture) :*(E.g. invoice no.):***DO NOT CONVERT¹**¹ Ajouter la mention « DO NOT CONVERT » à la raison de paiement pour recevoir le paiement dans la devise originale.*Add the note "DO NOT CONVERT" to the reason of payment in order to receive the payment in its original currency.*

** Veuillez vous référer à la liste des correspondants afin de choisir la banque appropriée dans le pays concerné.

Consult the list of correspondents to select the appropriate bank in the relevant country.



Schedule "B"
Form of Direction

QUÉBEC - EASTERN | EST CANADA
2200 de la Sidbec Sud
Trois-Rivières (Québec) G8Z 4H1
T 855 840-1298

ONTARIO - WESTERN | OUEST CANADA
3390 South Service Road, suite 301
Burlington, Ontario L7N 3J5
T 855 840-1298

DIRECTION TO PAY

DATE: July 5, 2022

TO: **BROOKE DOWNS VENNARD LLP**
Barristers and Solicitors
PO Box 67, #101, 481 Harbourfront Drive NE
Salmon Arm, BC, V1E 4N2

RE: **Partial Payout of Mortgage No. CA8373894 and Assignment of Rents No. CA8373895 to MITSUBISHI HC CAPITAL CANADA, INC. (formerly Hitachi Capital Canada Corp.)**

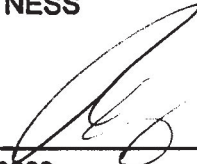
=====

This Direction to Pay is your full, sufficient and irrevocable authority to pay the sum of \$1,650,000.00 to Mitsubishi HC Capital Canada, Inc. from the proceeds of the sale of the following lands:

PID: 009-514-325
Lot 2 Section 26 Township 23 Range 2 W6M Kootenay District Plan 10022

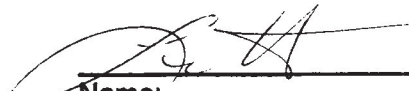
PID: 012-987-409
Lot 5 Section 26 Township 23 Range 2 W6M Kootenay District Plan 10022

WITNESS



Witness

VIC VAN ISLE CONSTRUCTION LTD.
by its authorized signatory



Name: Lewis Hendricks

This is Exhibit “O” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



Effective Group

6139 Trapp Ave, Burnaby, BC V3N 2V3
Phone # 604 526-3737 Fax # 604 526-2077

Email: peter.powers@aebailiffs.com

November 22, 2022

Via Courier / Via Email

Mitsubishi HC Capital Canada
Suite 2800 1155 Boulevard Rene-Levesque
Montreal, Quebec H3B 2L2
Attn: Philippe Frenette

Hitachi Capital Canada Corp
Suite 301 – 3390 S. Service Road
Burlington, On L7N 3J5

Bank of Montreal
9th Floor 250 Yonge Street
Toronto, On M5B 2L7

Kenneth Lewis Hendrickson
1593 Nichol Rd.
Revelstoke, BC V0E 2W0

Western Surety Company
Suite 2100 – 1881 Scarth Street
Regina SK, S4P 4K9

NOTICE OF REPOSSESSION AND INTENTION TO SELL

TO ALL CONCERNED PARTIES WITH AN INTEREST IN

Please be advised that Accurate Effective Bailiffs Ltd has seized under the “Rent Distress Act” as of today’s date the following assets: **2008 Gradall 544D-10 4X4 S/N 0160032663 or 0160032696, 2014 John Deere 624K Front End Loader s/n 1DW624KTVEF661885 and 2013 Genie Lift 45/25 s/n Z452513A-47333** of Vic Van Isle Construction Ltd. A search of the Personal Property Registry shows you have a registered interest in these goods. The Rent Distress Act of BC states the following: ***“Section 3 (4) A landlord’s distress has priority over a security interest in the goods of the tenant other than a purchase money security interest in goods or proceeds of those goods that is perfected at the date of distress.”***

Please forward to this office any paperwork or contracts you may have in support of your registered security interest, the reading of your claim leads us to believe this to be a security interest in the goods and not a purchase money security interest (PMSI). The landlord has instructed us to proceed with the required appraisal and liquidation of the assets to satisfy its claim for overdue rent and fees.

We will be in legal sale position on November 30, 2022. Please let this office know prior to that date if you feel you have a PMSI claim to these goods, if not we will proceed with the sale of the assets as allowed under the terms of the act. If you have any other question with regards to this matter, you may contact me at 604 290-2462 anytime.

Yours truly,
Accurate Effective Bailiffs Ltd

A handwritten signature in blue ink, appearing to read 'Peter Powers', with a stylized flourish at the end.

Peter Powers
Principal

This is Exhibit “P” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

November 24, 2022

Private and Confidential

Redekopp Group

Attention: Ray Redekopp
1011 Ouellette Avenue
Windsor, ON N9A 4J9

And

Accurate Effective Group

Attention: Peter Powers
6139 Trapp Avenue
Burnaby, BC V3N 2V3

And

Dentons LLP

Attention: Wilfred Chan
20th Floor
250 Howe Street
Vancouver, BC V6C 3R8

Dear Sirs/Mesdames:

Re: Vic Van Isle Construction (the “Borrower”)

We are counsel for Mitsubishi HC Capital Canada (formerly Hitachi Capital Canada Corp.) (the “**Lender**”) and are in receipt of your letter dated November 22, 2022 advising that Accurate Effective Bailiffs Ltd. (the “**Bailiff**”) has seized certain equipment of the Borrower described therein (the “**Seized Equipment**”) and stating that the Bailiff will be “in legal sale position November 30, 2022”.

The Lender has a secured claim against the Seized Equipment.

The owner of the applicable real property (the “**Owner**”) is a non-arms’ length related party to the Borrower who is fully aware of the Lender’s secured interest. The Owner was also aware of the Borrower’s financial condition when it received a transfer of the applicable real property. Our client was never advised of any lease arrangement or who the parties are to any such lease arrangements. Nor have they been provided with any documents or any evidence of any such lease arrangements or any information regarding any arrears of rent which may be owing. We put you to the strictest proof thereof.

Please provide us with a copy of any lease arrangements and an accounting of any amounts owing. The Lender also immediately requires copies of all correspondence, notices and other documentation issued by the Owner in connection with this purported seizure. Lastly, we require all correspondence, notices and other documents relating to the marketing of such assets and the valuation of same.

We trust that the Bailiff will not take any steps to sell the Seized Equipment in light of the foregoing. The Lender reserves all of its rights and remedies at law and in equity and will hold the Bailiff and the Owner liable for any improper or improvident sale of the Seized Equipment. Please feel free to contact the undersigned to discuss this matter further.

Yours truly,
MILLER THOMSON LLP

Per:



Asim Iqbal
Partner

AI/sg



This is Exhibit “Q” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

November 29, 2022

File No.: 592936-1

SENT VIA EMAIL: aiqbal@millerthomson.com

Miller Thomson LLP
Scotia Plaza
40 Kings Street West, Suite 5800
P.O. Box 1011
Toronto, ON, Canada M5H 3S1

Attention: Asim Iqbal

Dear Sir/Madam:

Re: Vic Van Isle Construction Ltd. (the "Tenant")

As you know, we are counsel for 2427324 Alberta Ltd. (the "**Landlord**") I am writing in regards to your letter dated November 24, 2022 sent to us on behalf of Mitsubishi HC Capital Canada (formerly Hitachi Capital Canada Corp. (the "**Lender**").

With respect to your question about the existence of a lease arrangement, the Landlord and Tenant entered into a Lease dated July 4, 2022 (the "**Lease**") over certain premises located at 96 Cartier Street, Revelstoke, British Columbia (the "**Premises**") for a term expiring August 31, 2023. Enclosed for your reference is a copy of the Lease.

On October 11, 2022, the Landlord delivered a Notice of Default to the Tenant advising that the rent in arrears as at October 11, 2022 was \$140,539.63.

On October 18, 2022 the Landlord delivered an updated Notice of Default to the Tenant advising that the rent in arrears as at October 18, 2022 was \$116,639.63.

On October 18, 2022 the Landlord executed a Distress Warrant pursuant to the *Rent Distress Act*, R.S.B.C. 1996, ch. 403 (the "**Act**") authorizing Accurate Bailiff Group (the "**Bailiff**") to distrain goods and chattels of the Tenant at the Premises to satisfy rent in arrears in the amount of \$116,639.63 owing as at October 17, 2022 (the "**Arrears**").

On October 20, 2022 the Bailiff attended the Premises. Jamie Hampton of VVI surrendered a John Deere 624K Front End Loader S/N IDW624KTVEF661885 and Genie Lift 45/25 45/25 Z452513A47333 to the Bailiff (the "**Front End Loader and Genie Lift**") to go toward satisfying the Arrears.

On November 2, 2022 the Landlord delivered another Notice of Default to the Tenant for unpaid rent due and owing as at November 1, 2022, in addition to the Arrears, in the amount of \$45,520.30 plus interest and all other enforcement costs incurred by the Landlord, including without limitation legal fees, bailiff fees, and storage costs (the “**Additional Arrears**”).

On November 3, 2022 the Landlord executed a Distress Warrant authorizing the Bailiff to distrain goods and chattels at the Premises to go toward satisfying the Additional Arrears.

On November 8, 2022 Jamie Hampton for the Tenant signed a bailee’s undertaking with respect to a 2008 Gradall 544D-10 4X4 S/N 0160032663 or 0166032696 (the “**Gradall**”).

On November 22, 2022 the Bailiff sent a Notice of Repossession and Intention to Sell to all concerned parties with an interest in the aforementioned equipment.

The Gradall above was seized under the bailee’s undertaking. On November 24, 2022 we further updated the seizure by having the Bailiff physically seize and secure a Caterpillar TL 1255 4X4 Material Handler S/N TBN01026 (the “**Caterpillar**”) to go toward satisfying the Additional Arrears.

The Front End Loader and Genie Lift, Gradall and the Caterpillar are collectively referred to herein as the Equipment.

Enclosed herein for your reference is a copy of the aforementioned Notices of Default, statements of accounting for the Arrears and Additional Arrears, and Distress Warrants relating to the seizure of the Equipment.

As at today’s date, the Arrears and Additional Arrears remain due and owing by the Tenant to the Landlord, plus interest at a rate per annum of prime plus 2%, and all other enforcement costs incurred by the Landlord, including without limitation legal fees, bailiff fees, and storage costs that have accrued to date.

In your letter you state the that Landlord/Owner of the Premises is a non-arm’s length party to the Tenant/Borrower. With respect, the Landlord does not have any vested interest in the business of the Tenant. Even if the Landlord were a non-arm’s length party to the Tenant, which is denied, we are unclear how that would affect its priority position to a general security interest pursuant to the *Act*.

We also do not understand the relevance of whether the Landlord /Owner had knowledge of the Lender’s secured interest when the Owner became registered on title to the Premises. The Owner was within its rights to enter into a commercial lease with the Tenant, and is within its rights to pursue the rights and remedies available to it under the *Act*.

There is no assertion in your letter that the Lender has a purchase money security interest (PMSI) in the Equipment despite the Bailiff specifically asking for that clarification in its November 22, 2022 Notice of Repossession and Intention to Sell. As the Bailiff set out in its Notice of Repossession and Intention to Sell, section 3(4) of the *Act* states that:

“A landlord's distress has priority over a security interest in the goods of the tenant other than a purchase money security interest in goods or proceeds of those goods that is perfected at the date of distress.”

Section 3(1) of the Act defines "purchase money security interest" to be:

(a) a security interest taken in collateral to the extent that it secures payment of all or part of its purchase price and the credit charges for the purchase, and

(b) a security interest taken in collateral by a person who gives value for the purpose of enabling the tenant to acquire rights in the collateral, to the extent that the value is applied to acquire the rights, and value includes interest charges,

but does not include

(c) an interest of a lessor under a transaction of sale by and lease back to the seller;

Section 3(1) defines “security interest” to mean “an interest in personal property that secures payment or performance of an obligation.”

Given the lack of evidence from the Lender to establish that it has a PMSI, rather than a general security interest, we remain of the opinion that the Bailiff may proceed with the sale of the Equipment after November 30, 2022. If we are mistaken about the Lender not having a PMSI in the Equipment, please advise immediately.

Please let me know when you are available to discuss the above.

Yours truly,

Dentons Canada LLP



Lisa M. Low
Counsel

LL/xp
Enclosures

2427324 ALBERTA LTD.

Landlord

- and -

VIC VAN ISLE CONSTRUCTION LTD.

Tenant

- and -

KENNETH LEWIS HENDRICKSON

(**"Lewis"**)

- and -

BRUCE WALKER

(**"Bruce"**)

- and -

JAMIE HAMPTON

(**"Jamie"**)

- and -

Each of Lewis, Bruce and Jamie are, jointly and severally, the "**Covenantors**", and each a "**Covenantor**"

LEASE

Property: ADDRESS: 96 Cartier Street, Revelstoke, British Columbia

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SCHEDULES:		
"A" Legal Description of Lands		

THIS LEASE, dated for reference the 4th day of July, 2022, is made between 2427324 Alberta Ltd., a corporation incorporated under the laws of Alberta, ("**Landlord**") and VIC VAN ISLE CONSTRUCTION, a corporation amalgamated under the laws of British Columbia ("**Tenant**").

PART 1
LEASE SUMMARY

1.1 Lease Summary

The following is a summary of some of the basic terms of this Lease. If there is a conflict between any part of this section and any other part of this Lease, the latter shall govern.

- (a) **Premises:** Premises is the lands and improvements located at 96 Cartier Street in the City of Revelstoke, Province of British Columbia and legally described as Parcel A (See XD26998) Township 23 Range 2 West of the 6th Meridian Kootenay District Plan 10022 with parcel identifier number 016-287-151 ("**Premises**").
- (b) **Initial Term:** One (1) Lease Year and 26 days commencing on the Commencement Date and expiring on August 31, 2023.
- (c) **Possession Date:** July 6, 2022 ("**Possession Date**").
- (d) **Fixturing Period:** Not applicable ("**Fixturing Period**").
- (e) **Commencement Date:** July 6, 2022 ("**Commencement Date**").
- (f) **Options to Extend:** one (1) option of three (3) years at rates to be negotiated based on fair market value for comparable retail/service commercial space in the area at that time.
- (g) **Basic Rent ("Basic Rent"):**
 - (i) Lease Year one (1) from July 6, 2022 to August 31, 2023:
FOUR HUNDRED THOUSAND Dollars (\$400,000.00) per annum; Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$33,333.33) per month;
- (h) **Deposit** - Tenant agrees to provide to the Landlord a deposit equal to one (1) month's of Basic Rent & Additional Rent plus Sales Taxes and shall be paid by the Tenant by on or before the Commencement Date.
- (i) **Area of the Premises:** Not applicable.
- (j) **Landlord Information:**

1925 10th Ave. SW, Calgary, Alberta, Canada
Accounting & Administration – Elizabeth Franco
Phone: 403.744-5457
Mobile: 403.689.1027
Email: efranko@redekopp.ca
Emergency: Ray Redekopp, (403) 819-9626

(k) **Tenant Information:**

Address: 96 Cartier Street,
Revelstoke, British Columbia V0E 2S1
Attention: **Director**
Phone: **250-837-2919**
Email: _____

(l) **Covenantors' Information:**

KENNETH LEWIS HENDRICKSON
Address: 7940 Tronson Road, Vernon British Columbia V1H 1C6
Phone: _____
Email: **lewis@vvi-ltd.com**

BRUCE WALKER
Address: 1240 Industrial Road, Kelowna British Columbia V1Z 1G5
Phone: _____
Email: **bruce.walker@vicvanislegroup.com**

JAMIE HAMPTON
Address: 4456 Airport Way, Revelstoke, British Columbia V0E 2S3
Phone: _____
Email: **jamie@vvi-ltd.com**

PART 2
DEFINITIONS

2.1 Definitions

In addition to the terms defined in Section 1.1, the following definitions apply in this Lease.

"Additional Rent": all amounts, other than Basic Rent, payable by Tenant to Landlord under this Lease.

"Affiliate": a person or entity which controls, is controlled by, or is under common control with, another person or entity.

"Architect": an independent, appropriately qualified and licensed architect, engineer, surveyor or other professional, named by Landlord.

"Building": any and all buildings constructed on the Lands, which Building and Lands comprise the Premises.

"Business Days": Monday to Friday inclusive, excluding statutory holidays.

"C.P.I.": (a) the Consumer Price Index (All Items for Regional Cities, base year 2002=100) for the city in which the Premises is located, or if there is no Consumer Price Index for that city, for the city in Canada nearest the Premises for which there is a Consumer Price Index published by Statistics Canada (or by a successor or other governmental agency, including a provincial agency); or (b) if the Consumer Price Index is no longer published, an index published in substitution for the Consumer Price Index or any replacement

index designated by Tenant. If a substitution is required, Tenant will make the necessary conversions. If the base year for the Consumer Price Index (or the substituted or replacement index) is changed by Statistics Canada (or by its successor or other governmental agency) Tenant will make the necessary conversion.

“Delivery of Possession”: delivery by Landlord to Tenant of the Premises with all the conditions set out in Section 3.2 having been satisfied; **“Deliver Possession”** has a corresponding meaning.

“Environment”: the ambient air, all layers of the atmosphere, surface water, underground water, all land, all living organisms and the interacting natural systems that include components of air, land, water, organic and inorganic matter and living organisms, and includes indoor spaces.

“Environmental”: relating to the Environment, the transportation of Hazardous Substances, or occupational health and safety.

“Environmental Laws”: all Laws, and any policies, guidelines or regulations of any governmental or regulatory body or agency, and any requirements or obligations arising under the common law, relating to the Environment, the transportation of Hazardous Substances, or occupational health and safety.

“Expiry Date”: the last day of the Term.

“Extension Term”: has the meaning set out in Section 3.6.

“Fiscal Year”: the calendar year or other twelve (12) month period used by Landlord for fiscal purposes with respect to the Premises; in the case of any change of the Fiscal Year, or the occurrence of a partial Fiscal Year at the beginning or end of the Term, all necessary adjustments shall be made to reflect a Fiscal Year being more or less than twelve (12) months.

“Force Majeure”: labour disruption, act of God, restrictive Laws, power failure, inability to obtain materials or services, riot, insurrection, war, acts of terrorism or other similar casualty or contingency beyond the reasonable control and not the fault of the party delayed and not avoidable by the exercise of reasonable effort or foresight, but excluding insolvency or other inability to pay.

“Hazardous Substances”: any substance or material which is flammable, toxic, hazardous, or corrosive, or which might be detrimental to human, animal or plant life or to the Environment, including toxic mould or any pollutant, contaminant, toxic or hazardous waste, or any other substance the manufacture, use, storage, removal, transfer, handling or ownership of which is regulated by Environmental Laws.

“HVAC”: heating, ventilating, air-conditioning and humidity and other air control, and the equipment and facilities providing heating, ventilating, air-conditioning and humidity and other air control.

“Lands”: the lands described in Schedule “A”.

“Laws”: all applicable statutes, regulations, by-laws, orders and requirements of all governmental authorities having jurisdiction.

“Lease Year”: each consecutive period of twelve (12) months in the Term, except that if the Commencement Date occurs on a date which is not the first day of a calendar month then the first Lease Year shall be a period of twelve (12) months plus the period from the Commencement Date to and including the last day of the month in which the Commencement Date occurs.

“Leasehold Improvements”: all fixtures, improvements, installations, alterations and additions from time to time permanently made or installed in or about the Premises, excluding Tenant's Property.

“Major Repairs”: has the meaning set out in Section 9.2(b).

“Mortgage”: a mortgage, charge, hypothec, or trust deed for bondholders, on the whole or any part of the Premises (but not a creditor or security holder of the leasehold interest of Tenant); a **“Mortgagee”** is the holder of a Mortgage.

“Operating Costs”: has the meaning set out in Section 6.1.

“Permitted Use”: has the meaning set out in Section 7.1(a).

“Premises HVAC” means the HVAC serving the Premises.

“Premises Work”: repairs, alterations, additions and improvements to the Premises, including the exterior of the Premises.

“Prime Rate”: the annual rate of interest from time to time quoted by the Landlord's major Canadian chartered bank in Toronto as the reference rate of interest (commonly referred to as its “prime rate”) used to determine interest rates that it will charge in Canada at such time for demand loans in Canadian dollars to its most credit-worthy commercial customers.

“Property Taxes”: all real property taxes imposed on the whole or any part(s) of the Premises, or on Landlord on account thereof including but not limited to local improvement rates and special levies and assessments, but excluding penalties, interest, income taxes, profit taxes, business taxes, gross receipts taxes, capital taxes, succession taxes, transfer taxes, corporation taxes, and taxes personal to Landlord.

“Province”: the province of British Columbia.

“Related Party”: a person or entity which is an Affiliate of Tenant, or is a successor to Tenant by merger or amalgamation or acquisition of substantially all of the assets in the Province, or the shares, of Tenant or an Affiliate.

“Rent”: all Basic Rent and Additional Rent.

“Rules and Regulations”: has the meaning set out in Section 8.2.

“Sales Taxes”: all goods and services taxes, sales taxes, harmonized sales taxes, value-added taxes, multi-stage taxes, business transfer taxes and any other similar taxes imposed by Laws on the provision of goods or services, including but not limited to goods and services tax under the Excise Tax Act (Canada) on Rent payable by Tenant.

“Structural”: refers to the following: structural elements of the Building, such as foundations, exterior wall assemblies, bearing walls, columns, and beams, and floor slabs; roofs, including roof decks and non-weight-bearing elements such as roof membranes; Utilities and underground services to the point of entry to the Premises and the Building; gutters, downspouts and drainpipes; and sprinkler and other fire protection systems and equipment.

“Tenant’s Property”: all of Tenant’s personal property, including its trade fixtures, furniture, point of sale system, signs, and all other items installed on the Premises or elsewhere by Tenant at its expense which, although affixed to the Premises, are removable without damage or with only such damage as can be repaired and restored, such as standby or supplementary HVAC and Utilities equipment, specialized lighting fixtures and hardware, and information technology equipment including wiring and cabling.

“Tenant’s Work”: those items and fixtures required by Tenant for the operation of its business.

“Term”: the initial term set out in Section 1.1(b), as it may be extended or renewed from time to time.

“Transfer”: an assignment of this Lease or subletting or parting with possession of the whole or any part of the Premises; a person making a Transfer is a **“Transferor”** and a person taking a Transfer is a **“Transferee”**. For greater certainty, Tenant acknowledges that if Tenant is a corporation or partnership, a change in control of, whether directly or indirectly, Tenant constitutes a Transfer for the purposes of this Lease.

“Utilities”: electricity, water, gas, and other utilities.

PART 3 **GRANT AND TERM**

3.1 Premises and Term

Landlord leases to Tenant, and Tenant leases from Landlord, the Premises for the Term commencing on the Commencement Date. If Tenant remains in occupancy of the Premises after the Expiry Date without a written renewal or extension agreement with Landlord, no yearly tenancy will be created and that occupancy will be considered to be as a monthly overholding tenant on the same terms as most recently applied during the Term insofar as applicable to a monthly tenancy. Tenant acknowledges and agrees that Tenant’s use and occupation of the Premises is subject to all charges, liens and interests as may be registered on title to the Premises from time to time, including, without limitation, Statutory Right of Way in favour of BC Hydro under registration number XC23289 and an easement appurtenant to Lot 2 Section 26 Township 23 Range 2 Kootenay District Plan 10022 for parking purposes under registration number CA5652963.

3.2 Delivery of Possession

Tenant unconditionally accepts possession of the Premises on the Commencement Date “as-is, where-is”, without any representation, warranty, liability, obligation or responsibility on the part of Landlord with respect thereto.

3.3 Construction of Premises

Tenant has sold the Premises to Landlord on or about the Commencement Date and the Tenant agrees to be solely responsible for all maintenance, repairs, replacements and defects relating to the Premises, including, without limitation, the condition of the Building and its Structural elements and all equipment forming part of the Building. Tenant acknowledges and agrees that, the grant of lease in the Premises hereunder is made on a strictly “as-is, where-is” basis without any representation, warranty, liability, obligation or responsibility on the part of Landlord with respect thereto, including, without limitation, the suitability of the Premises for Tenant’s intended use and Tenant hereby releases Landlord, its Affiliates, directors, officers, shareholders, employees, agents and professional advisors from and against any and all claims, costs, liabilities, damages, expenses, interests, penalties and fines Tenant may incur, suffer or

sustain in relation thereto. Tenant shall be responsible for all other improvements, repairs, replacements and renovations (to be completed according to municipal building standards with all required permits to be at the Tenant's expense), and shall maintain the whole of the demised Premises, including, without limitation, the Building, in good order, and shall make all needed repairs and replacements with due diligence, save only for reasonable wear and tear.

3.4 Quiet Enjoyment

Landlord covenants with Tenant that Tenant shall be entitled to peaceably possess and enjoy the Premises for the Term, without any interruption or disturbance from Landlord or any person lawfully claiming from or under Landlord subject to and in accordance with the provisions of this Lease. Tenant acknowledges that Landlord has certain rights under this Lease to enter the Premises from time to time (with or without prior notice to Tenant) and Tenant agrees that any such entry by Landlord shall not constitute any interference by Landlord with the Tenant's right to quiet enjoyment under this Lease.

3.5 Net Lease

Tenant acknowledges that this Lease is net to Landlord with the intent that, except as expressly provided in this Lease, during the Term Landlord shall not be responsible for any costs, charges, expenses or outlays of any nature whatsoever in respect of the Premises resulting from Tenant's use or occupancy of the Premises and Tenant shall pay all such costs, charges, expenses and outlays. For clarity, the Tenant is responsible for the strict observance of any all obligations on the part of Landlord, as owner of the Premises, under any charges, liens, or interests registered on title to the Premise (except for the obligations under any Mortgage granted by Landlord) and Tenant is responsible for the prompt payment of all property taxes, municipal levies, charges, fees or special assessments relating to the Premises, including, without limitation, the cost of the Landlord's insurance in respect of the Premises.

3.6 Options to Extend Term

- (a) Provided that the Tenant has strictly observed all of the terms and conditions of this Lease, the Tenant has diligently performed of its obligations under this Lease and the Tenant is not in default under this Lease, Tenant shall have the option to extend the Term for one (1) additional period of three (3) Lease Years (the "**Extension Term**") on the same terms and conditions as are applicable to the initial Term, except that: (i) there shall be no further right to extend or renew the Term beyond the expiry of the Extension Term; (ii) there shall be no Fixturing Period, allowance, rent-free period, Landlord's work, or other form of inducement for any Extension Term; and (iii) the Basic Rent for the first Extension Term shall be the fair market rent for the Premises, namely the annual net rental which could reasonably be obtained by Landlord for the Premises from an arm's length tenant in the prevailing market, having regard to all relevant circumstances including the location, age and condition of the Premises, but disregarding the value of all improvements made to the Premises by the Tenant. If the Basic Rent for an Extension Term has not been agreed upon by Landlord and Tenant by three (3) months prior to the commencement date of the Extension Term, it shall be determined by arbitration pursuant to the Laws of the Province of British Columbia relating to arbitration.
- (b) The Tenant's option to extend the Term must be exercised by written notice given to Landlord no later than six (6) months prior to the commencement date of the applicable Extension Term, failing which the provisions of this Section 3.6 shall be null and void. For

clarity, Tenant shall not have any option to extend and may not attempt to exercise any rights to extend the Term if Tenant is in default of its obligations under this Lease at any time during the Term.

PART 4 **RENT**

4.1 Payment of Rent

Tenant shall pay all Rent without any deduction, set-off or abatement except as expressly permitted in this Lease or by any Laws. All payments of Rent shall be made to Landlord by pre-authorized debit or by delivery of payment to such other address in Canada of which Landlord gives Tenant prior written notice. Tenant shall be required to provide Landlord with bank debit plan authorization for payment of any Rent.

Tenant will direct and authorize its financial institution to pay Landlord and debit the account of Tenant all amounts equal to the monthly payment for Rent (including, without limitation, the Additional Rent and management fee as estimated by Landlord from time to time)

4.2 Basic Rent

Commencing on the Commencement Date, Tenant shall pay to Landlord for each Lease Year of the Term, Basic Rent in the annual amount described in Section 1.1(g), in equal monthly instalments as described in Section 1.1(g), in advance on the first day of each month during the Term. For any partial month during the Term, Basic Rent shall be calculated on a daily basis based on a 365 day year. Tenant acknowledges and agrees that the Basic Rent will be absolutely net to Landlord such that Tenant will pay for its own account, all costs, expenses and charges relating to the Premises, including, without limitation, repairs, maintenance and replacements, Tenant's use and occupation of the Premises, Landlord's insurance and security costs. Any amount or obligation which is not expressly declared herein to be Landlord's responsibility will be the sole responsibility of Tenant.

4.3 Additional Rent and Statements

- (a) In addition to Basic Rent, Tenant shall pay to Landlord as Additional Rent, without duplication, or pay to such other person as Landlord may direct Tenant in writing:
 - (i) the Operating Costs;
 - (ii) the Property Taxes;
 - (iii) the cost of all Utilities supplied to the Premises; and
 - (iv) all other costs Tenant must pay pursuant to this Lease, including, without limitation, Landlord's insurance costs, security costs, legal fees (on a solicitor and own client basis) in connection with any modification or extension of this Lease or the enforcement of any Landlord's rights and remedies with respect to this Lease, maintenance, repair and replacement costs incurred by Landlord and not otherwise performed and paid by Tenant.
- (b) Additional Rent accrues daily and Additional Rent attributable to any period not falling entirely within the Term shall be adjusted on a daily basis. Landlord shall have the same

remedies for a default by Tenant in payment of Additional Rent as it has for rent in arrears. No acceptance by Landlord of payment by Tenant of an amount less than the full amount owing shall be considered to constitute payment in full.

- (c) Landlord may by written notice to Tenant estimate any amount of Additional Rent payable to Landlord for the current or following Fiscal Year, based on reasonably anticipated costs, but the estimated amount shall not exceed on an annual basis one hundred and twenty percent (120%) of the amount payable by Tenant for that category of Additional Rent for the preceding Fiscal Year. Tenant shall pay Additional Rent on the basis of those estimates, in advance in equal monthly instalments over the Fiscal Year (or, in the case of Property Taxes, over another period over which Landlord pays instalments of Property Taxes in accordance with Laws and the provisions of this Lease) on the same days as monthly payments of Basic Rent. Within one hundred and twenty (120) days after the end of each Fiscal Year Landlord shall give Tenant a statement of the actual amounts payable by Tenant to Landlord for Additional Rent for that Fiscal Year, which statement shall be certified as correct by a senior financial officer of Landlord and shall be itemized in reasonable detail sufficient to verify the proper calculation of Additional Rent in compliance with the terms of this Lease. Tenant acknowledges that sufficient information may not be available to the Landlord to calculate the final amount of Property Taxes within said one hundred and twenty day period and a supplemental Statement may be required to be delivered by the Landlord to Tenant once the Property Tax information or the Fiscal Year becomes available to the Landlord. If the aggregate amount shown by Landlord's annual statement to be payable by Tenant differs from the aggregate amount actually paid by Tenant, then within thirty (30) days after delivery of Landlord's statement either Landlord shall pay to Tenant any excess, or Tenant shall pay to Landlord any deficiency, in those payments.
- (d) Upon at least ten (10) days' prior written notice to Landlord, exercised within twelve (12) months if receipt of Landlord's statement for such Fiscal Year, Tenant shall have the right to audit or inspect Landlord's records with respect to all or any Additional Rent for such Fiscal Year. For clarity, the audit shall only pertain to the accounting period for which Landlord's statement has been rendered. If Tenant's audit discloses an overcharge to Tenant of Additional Rent, and provided Landlord has not disputed Tenant's audit report within thirty (30) days of receipt of such audit report, then the overcharge, with interest at the Prime Rate of Tenant's bank plus two percent (2%) per annum from the date or dates of payment by Tenant, shall be repaid by Landlord to Tenant within fifteen (15) days after written request or, at Tenant's option, the overcharge and interest may be deducted by Tenant from Rent becoming due. Furthermore, if the amount of the overcharge is more than five percent (5%) of the amount of Additional Rent found by the audit to be actually payable by Tenant, Landlord shall forthwith reimburse Tenant for all of Tenant's reasonable costs in respect of the audit.

Notwithstanding the above, any request to audit the Landlord's statement must be made by the named Tenant herein or its authorized agent. Should Tenant choose to use an agent to conduct such audit, such agent must be a chartered accounting firm and not a firm retained by Tenant on a contingency fee or guarantee basis or similar consulting firm that provides a guarantee of savings (the "**Contingency Auditor**").

PART 5
TAXES

5.1 Property Taxes Payable by Tenant

- (a) Unless directed by Landlord to pay instalments on account of Property Taxes to Landlord, Tenant shall pay all Property Taxes to the taxing authority in a timely manner, and otherwise in compliance with, all Laws. In the case of the 2022 calendar year, Tenant acknowledges and agrees with Landlord that Tenant is responsible for all Property Tax for all periods of time, both before and after the Commencement Date. Tenant shall deliver copies of all evidence of payment of Property Taxes to Landlord within five (5) days of any written request from Landlord, and any failure by Tenant will constitute a default of this Lease by Tenant. If at any time, including after expiry of the Term, Landlord receives a refund or credit on account of Property Taxes of which Tenant had paid, Landlord shall promptly pay to Tenant any portion of such refund or credit, net of Landlord's reasonable third party consulting and legal expenses incurred to obtain it, as is reasonably attributable to the Property Taxes previously paid by Tenant. Upon request Landlord shall provide Tenant with copies of assessment notices, tax bills, and any other information pertaining to Property Taxes. Tenant shall indemnify Landlord for payment of any: (i) penalties or interest resulting from late or deferred payment of Property Taxes by Tenant; (ii) increase in Property Taxes resulting from an act or election of Tenant, or from fixtures or improvements in the Premises. This indemnity shall survive the expiry or other termination of this Lease.
- (b) Despite anything else herein Tenant shall not be responsible, and Landlord shall indemnify Tenant, for payment of any penalties or interest resulting from late or deferred payment of Property Taxes by Landlord unless such penalty or interest is attributable to Tenant's failure to pay Property Taxes to the taxing authority within the specified time.
- (c) Tenant shall pay as and when due all taxes, charges, rights, duties and assessments, if any, levied or charged in respect of Tenant's occupancy of the Premises or in respect of the personal property or business of Tenant in the Premises, which shall be paid by Tenant when same becomes due either directly to the taxing authority, or to Landlord if billed to Landlord.

5.2 Contest of Taxes

- (a) Landlord shall at all times, act reasonably, in deciding whether to contest or appeal Property Taxes or related assessments and in conducting the contest or appeal and in reaching agreement with the relevant authorities on any settlement. Landlord shall keep Tenant informed of the status and progress of, and consult with Tenant on, the contest or appeal. Tenant shall promptly furnish Landlord with information, execute documents, and make appearances, as reasonably requested by Landlord in furtherance of a contest or appeal by Landlord.
- (b) Provided that there is a separate assessment and separate tax bill on the Premises, Tenant shall have the right to contest or appeal any Property Taxes or related assessments which affect the Premises and to reach agreement with the relevant authorities on any settlement, provided that it acts reasonably and diligently and with prior consent of the Landlord, such

consent not to be unreasonably withheld or unduly delayed. Until final determination of the contest or appeal, Tenant may postpone payment of Property Taxes to the extent permitted by Laws, but without subjecting Landlord to any liability or subjecting the Premises to any lien or other encumbrance and Tenant shall be responsible for all penalties, interest and other amounts charged, levied or assessed as a result of such appeal and/or non-payment of Property Taxes. Such contest of Property Taxes shall not be undertaken without there being first deposited with Landlord reasonable security to be held by Landlord as an indemnity to pay such Property Taxes upon conclusion of such contest. Any contest or appeal by Tenant shall be at Tenant's sole expense. Landlord shall upon written request furnish Tenant with necessary information, execute required documents in a form acceptable to the Landlord, and make appearances, as reasonably requested by Tenant in furtherance of a contest or appeal by Tenant. Save as provided in this Section 5.2(b), Tenant shall not have the right to contest or appeal on Property Taxes or related assessments which affect the Premises.

5.3 Sales Taxes

In addition to Rent, Tenant shall pay to Landlord, all Sales Taxes on Rent payable by Tenant. Sales Taxes payable by Tenant shall be calculated and paid in accordance with Laws and, despite anything else in this Lease, will be considered not to be Rent, but Landlord will have the same remedies for non-payment of Sales Taxes as it has under this Lease or at law for non-payment of Rent.

PART 6 **OPERATING COSTS**

6.1 Operating Costs Payable by Tenant

- (a) Commencing on the Commencement Date, Tenant shall pay to Landlord all Operating Costs for each Fiscal Year in monthly instalments based on Landlord's estimates in accordance with Section 4.3. If Landlord does not require payment by instalments, Tenant shall pay all Operating Costs based upon, and by not later than thirty (30) days after delivery of, Landlord's annual statement in accordance with Section 4.3.
- (b) In this Lease "**Operating Costs**" means, with respect to a Fiscal Year, the cost of insurance required to be maintained by Landlord hereunder on the Premises, and the costs incurred and paid by Landlord in operating, maintaining and repairing the Premises, including without limitation and without duplication:
 - (i) cleaning, maintenance and repairs of Premises, including, without limitation, the parking areas on the Lands;
 - (ii) maintenance and replacement of landscaping;
 - (iii) policing, security and traffic control;
 - (iv) garbage collection and disposal;
 - (v) snow removal;
 - (vi) Utilities supplied to Premises;

- (vii) operation of all lighting, loudspeaker systems and signs serving the Premises;
- (viii) the cost of rental of equipment and the cost of materials, equipment and supplies used in the operation, repair and maintenance of the Premises;
- (ix) the cost of operating, repairing and replacing the systems, facilities, machinery, equipment and fixtures forming part of the Premises; and
- (x) the cost of maintenance, repairs and replacements to the non-structural portions of the roof (including, without limitation, the roof membrane and flashings) of the Building.

All capital costs shall be amortized and included in Operating Costs on a straight-line basis over the economic life of the improvement (which life shall be deemed to be greater than 10 years) together with interest not to exceed the prime rate charged by the Canadian Imperial Bank of Commerce to its most credit worthy customers plus two percent (2%) per annum. As at the date of this Lease, Tenant acknowledges and agrees that the existing HVAC and non-structural portions of the roof (including, without limitation, the roof membrane and flashings) will be amortized on a straight-line basis over a 15 year period commencing on the Commencement Date

- (c) All Operating Costs must be reasonable and none shall be a duplication of another cost. Tenant agrees to pay an administration fee of ten percent (10%) of all Operating Costs, excluding: (i) taxes; (ii) depreciation, amortization or interest costs, if any, expressly permitted by this Section 6.1 to be included in Operating Costs; and (iii) all amounts excluded, deducted from or credited against Operating Costs. It is intended that the administration fee is in recognition of the management, administrative and supervisory functions performed by or on behalf of Landlord as well as a reasonable allocation to Landlord's overhead. Accordingly, such administration fee shall not be duplicated by any other fees or charges, including without limitation, any outside contracted management costs or fees which are attributable to management or supervisory functions performed by Landlord or by any other entity or person.

PART 7

USE AND EXCLUSIVITY

7.1 Permitted Use

- (a) Tenant shall be permitted to use the Premises for the uses set out in this Section 7.1(a). The Premises shall not be used for any purpose other than as an office, workshop and warehouse in connection with Tenant's business as general contractor and design builder services (the "**Permitted Use**"). Tenant acknowledges that: (i) it is aware of the existing restrictions and land use rights as may be set out in all charges, liens or interests registered on title to the Premises as at the Commencement Date; and (ii) it will not permit the Premises to be used in any manner which would violate those restrictions or interfere with any rights conferred to any third parties set out therein.
- (b) Landlord makes no representations or warranties to Tenant about: (i) any applicable Laws that may permit or restrict the Permitted Use to be conducted on the Premises; and (ii) any

restrictive covenants affecting the Premises that may permit or restrict the Permitted Use to be conducted on the Premises.

- (c) Tenant shall be entitled to be open for business on the Premises during any hours not prohibited by Laws. Tenant covenants to open for business from the Premises fully stocked, fixture and staffed for all regular business days continuously during the Term, save and except closures for statutory holidays. Furthermore, if at any time the Tenant has not operated its business on the Premises for more than ten consecutive days during the Term or for more than an aggregate of 20 days during the Term (exclusive of any period during which the Premises were closed as a result of major repair or renovation, fire, lightning, tempest or other casualty or occurrence or other event of the Force Majeure), Landlord shall have the right to terminate this Lease upon thirty (30) days' prior written notice thereafter to Tenant. If Landlord terminates this Lease pursuant to this Section 7.1(c), Tenant will vacate the Premises within such thirty (30) day period, and all obligations of Landlord and Tenant (including, without limitation, payment of Rent by Tenant) shall be pro-rated to the date upon which Tenant delivers vacant possession of the Premises to Landlord.

PART 8

OPERATION AND MAINTENANCE OF PREMISES

8.1 Operation and Maintenance by Landlord

Throughout the Term Landlord shall operate, maintain and repair the Premises (excluding those parts of the Premises that the Tenant is obligated to maintain and repair in accordance with section 9.1) in good order, condition and state of repair, in accordance with such practices and standards as would a prudent owner and operator of a property similar to the Premises having regard to its size, age, location and character.

8.2 Rules and Regulations

Landlord may from time to time make and amend reasonable rules and regulations for the operation and management of the Premises ("**Rules and Regulations**") and Tenant and all persons under its control shall comply with all Rules and Regulations of which notice is given to Tenant from time to time, and which do not conflict with any provision of this Lease.

PART 9

REPAIRS AND ALTERATIONS TO PREMISES

9.1 Repairs by Tenant

- (a) Subject to the exceptions set out in Section 9.1(b), throughout the Term Tenant at its sole cost shall promptly and diligently perform all maintenance, repairs and replacements required to keep in good order, condition and repair in accordance with the standards of a prudent Tenant, the Premises, including, without limitation, all of the maintenance, repairs and replacements set out in Section 9.2 which are not performed by the Landlord and all of the following: all components and systems of the Building, for example, exterior entrances and plate glass; building envelope; roof and roof membrane; electrical, mechanical, plumbing and HVAC systems; partitions and doors; the electrical, plumbing,

drainage, gas, sewer and other Utilities systems and equipment within and exclusively serving the Premises; and Tenant's storefront and other signs. Tenant shall also be responsible for its obligations set out in Section 10.2(b) with respect to the HVAC. For clarity, Tenant shall also be responsible for performing all of the maintenance, repairs and replacement set out in Section 9.2 and Tenant acknowledges and agrees that any election by the Landlord to perform the matters set out in Section 9.2 shall not release Tenant from its obligations under this Lease, including, its obligation to pay all costs thereof.

- (b) Tenant shall not be responsible for any maintenance, repairs or replacements:
- (i) covered under any warranties of Landlord's contractors; the benefit of any such warranties shall be assigned by Landlord to Tenant upon Tenant's request or where not assignable, enforced for the benefit of Tenant;
 - (ii) required as a result of damage caused by perils or casualties not required to be insured by the Tenant under this Lease, as dealt with in Part 13; or
 - (iii) for which Landlord has elected to perform at Tenant's cost pursuant to Section 9.2.

9.2 Repairs by Landlord

- (a) Landlord will not be obliged to furnish any services or facilities or to make repairs or alterations in or to the Premises and Tenant is assuming the full and sole liability for the condition, operation, repair, replacement, maintenance and management of the Premises. Landlord may, without any obligation or liability to Tenant, at its sole option but at Tenant's cost (which may be included in Operating Costs), elect to perform any of the following maintenance, repairs and replacements with respect to the Premises:
- (i) its obligations set out in Section 10.2(b) with respect to the HVAC;
 - (ii) Structural repairs and replacements;
 - (iii) maintenance, repairs and replacements required to keep the Premises in watertight condition; as used herein "watertight" means a condition in which leakage or seepage into the Premises by any means other than through the doors, windows and vents, is prevented, and the doors, windows and vents will not admit water when closed;
 - (iv) maintenance, repairs and replacements of the electrical, plumbing, drainage, gas, sewer and other Utilities systems and equipment serving the Premises, to the point of entry to the Premises;
 - (v) repairs or replacements required as a result of the negligent or intentional act or omission, or failure to perform an obligation of Landlord under this Lease, of Landlord or any of its employees, agents, licensees or others for whom Landlord is in law responsible; and
 - (vi) preventative roof inspections in winter months and removal of snow from the roof, if necessary.

- (b) Landlord shall make all Major Repairs to the Premises, all such repairs to be made at Tenant's sole cost and expense. For the purposes of this Lease, "**Major Repairs**" shall be deemed to include repairs and replacements to the foundations, exterior walls and load bearing walls, floor slab, structural floor, roof, roof membrane and roof deck, columns, downpipes, drains and electrical, plumbing and drainage works leading up to and from the Premises, and maintenance of any sprinkler system in the Premises. Charges for Major Repairs shall be at Tenant's sole cost and expense and shall be charged to Tenant as part of Operating Costs or Additional Rent.
- (c) Without limiting the generality of the foregoing, Operating Costs may include: (i) the costs of repairs and replacements to the non-structural portions of the roof (including, without limitation, the roof membrane and flashings), provided that any such costs that are of a capital nature shall be amortized on a straight line basis over its economic life in accordance with generally accepted accounting principles consistently applied, together with interest accruing thereupon at an annual rate equal to the Prime Rate charged by the Canadian Imperial Bank of Commerce to its most credit-worthy borrowers plus two percent (2%).

9.3 Tenant Not to Overload Floors or Damage Premises

Tenant shall not bring upon the Premises any machinery, equipment, or article that by reason of its weight, size or use might damage the Premises, and will not overload the floors of the Premises. If any damage is caused to the Premises by any such machinery, equipment, or article or by overloading, or by any negligent or intentional act or omission, or failure to perform an obligation of Tenant under this Lease, of Tenant or any of its employees, agents, contractors, licensees or others for whom Tenant is in law responsible, Tenant shall promptly repair the damage at its sole cost or, or at Landlord's sole option, pay to Landlord the cost of repairing the same.

9.4 Right of Entry by Landlord

Landlord or any person authorized in writing by Landlord shall be entitled to enter the Premises at reasonable times after reasonable, but in any case at least two (2) Business Days', prior written notice (except in case of emergency, when Landlord may give shorter or no notice) for any of the following purposes: (i) to inspect the Premises; (ii) to perform maintenance, repairs or replacements which Landlord elects or is required to perform under this Lease; or (iii) to show them to prospective purchasers or mortgagees and, only during the last six (6) months of the Term, to prospective tenants, provided Tenant has not exercised its option to extend this Lease. During the last six (6) months of the Term Landlord may display on the Building a notice of reasonable size, located so as not to interfere with Tenant's conduct of business on the Premises or detract from any of Tenant's signs, stating that the Premises are for rent.

9.5 Premises Work by Tenant

- (a) Tenant may, at its own expense, do any Premises Work which is not Structural in nature on the interior of the Premises, without Landlord's consent but upon prior notice to Landlord where permits are required, provided always that all work must be completed in accordance with all applicable Laws and regulations thereunder and that Tenant shall ensure that no liens are registered on title to the Lands in connection with any Premises Work. Any Premises Work on the interior or exterior of the Premises which is Structural in nature, and any Premises Work on the exterior of the Premises, may only be performed

with the Landlord's prior written approval, which shall not be unreasonably withheld or delayed. No Premises Work shall be permitted which lessens the value of the Premises.

- (b) With its request for Landlord's consent Tenant shall submit to Landlord reasonable details of the proposed Premises Work, including plans and specifications prepared by a suitably qualified designer, architect or engineer, and the Premises Work shall be completed in accordance with the plans and specifications approved in writing by Landlord. If Landlord does not notify Tenant in writing, within twenty (20) Business Days after receipt of Tenant's plans and specifications, that it approves or does not approve Tenant's proposed Premises Work (with written, reasonably detailed reasons in the latter case), then Landlord shall be considered to have given its approval.
- (c) All Premises Work shall be completed in a good and workmanlike manner, and Tenant shall obtain at its own expense all permits, licences and approvals required by Laws in order to perform any Premises Work or to occupy and conduct business on the Premises. Tenant shall be solely responsible for the cost of Premises Work required to comply with any Laws as a result of any non-compliance of the Premises with Laws.

9.6 Construction Liens

Tenant shall not permit any construction or other liens to be registered or filed against the Premises or any part thereof, or the interest of either Landlord or Tenant in the Premises, by reason of any work, materials or services furnished to or at the request of Tenant or any obligations incurred by Tenant. If any such lien is registered or filed, Tenant shall, within fifteen (15) days after receiving notice of its filing, cause it to be discharged by bonding, payment into court or otherwise. If Tenant fails to discharge a lien within that fifteen (15) day period, Landlord shall be entitled to obtain its release by bonding or payment into court (but not by payment to the lien claimant), in which case the amount so paid by Landlord as well as Landlord's reasonable legal expenses shall be paid by Tenant to Landlord on demand. Tenant shall be entitled, at its own expense, to defend any claim relating to such a lien.

9.7 Ownership and Surrender of Leasehold Improvements

- (a) The ownership of, or other proprietary interest in, all Leasehold Improvements shall be vested in Landlord on affixation or installation, regardless of who paid for them, except that any Leasehold Improvements made by Tenant from and after the Commencement Date shall remain Tenant's property for the purpose of depreciation or amortization under the *Income Tax Act* (Canada) or other Laws. Landlord shall have no ownership or other proprietary interest in any of Tenant's Property.
- (b) At the end of the Term, Tenant will remove any and all Leasehold Improvements made by Tenant that Landlord directs in writing to be removed and restore the Premises to the condition requested by Landlord, at Tenant's cost. Tenant shall promptly repair all damage caused by the removal of any Leasehold Improvements.
- (c) Subject to Part 13, at the end of the Term Tenant will surrender the Premises, including all Leasehold Improvements, in such condition and state of repair as Tenant is required to maintain during the Term, subject to reasonable wear and tear consistent with the nature, age, location and image of the Premises. At the end of the Term Tenant shall, and at any time during the Term so long as Tenant is not in default under this Lease Tenant may,

remove Tenant's Property from the Premises, and any of Tenant's Property left on the Premises after the end of the Term may be stored at Tenant's expense, or, at Landlord's sole option, sold or otherwise disposed of by Landlord without compensation to Tenant. Tenant shall promptly repair all damage caused by the removal of any of Tenant's Property.

PART 10
SIGNS, UTILITIES AND HVAC

10.1 Signs

Subject to compliance with Laws, Tenant shall be permitted to install its standard form of signage including its trade name and logo, as well as any other messages related to Tenant's business such as hours of operation, key business activities, and such other position statements as Tenant may adopt in the marketplace from time to time, all in Tenant's standard typeface and corporate colours, or such other colours as it may adopt from time to time, subject to municipal approval. The size and location of such signage shall be subject to the prior written approval of the Landlord, not to be unreasonably withheld. All utilities, maintenance, repairs and replacements to the Tenant's signage shall be Tenant's responsibility at the Tenant's expense. Subject to compliance with all applicable laws, Tenant shall not be subject to any restrictions on its signage, displays or advertising in the interior of the Premises, whether or not it is visible from outside the Premises.

10.2 Utilities and HVAC

- (a) Tenant shall pay when due all charges for Utilities supplied to the Premises and Tenant's Property, and for all fittings, connections, equipment and services furnished to the Premises and Tenant's Property in connection with such Utilities.
- (b) Tenant shall operate the Premises HVAC so as to maintain appropriate temperatures in the Premises and protect the Premises from damage by cold or frost. Tenant shall be responsible at its sole cost and expense, throughout the Term and any renewals or extensions thereof: (i) for all repairs to the Premises HVAC; and (ii) to make all necessary replacements of the Premises HVAC or any of its major components, where replacement is required, provided that the costs of the replacement shall be amortized by the Landlord over the useful life of such new Premises HVAC on a straight line basis without interest, and the amortized amount shall be adjusted between Landlord and Tenant if the cost of replacement is paid by Tenant or if cost of replacement is paid by Landlord, then the amortized amount shall be paid by the Tenant to the Landlord as Additional Rent in equal monthly payments throughout the balance of the Term. If any work is required to be carried out by the Landlord pursuant to this paragraph as a result of any negligent act or omission of the Tenant, its agents, employees, contractors or those for whom the Tenant is in law responsible or Tenant's failure to maintain and repair as herein required, then the Tenant shall reimburse the Landlord for 100% of such costs within thirty (30) days of receipt of an invoice therefor accompanied by reasonable supporting documentation substantiating such costs, as Additional Rent.

PART 11
ASSIGNMENT AND SUBLETTING

11.1 Landlord's Consent

- (a) Tenant shall not make a Transfer without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed.
- (b) Any request to Landlord for its consent to a Transfer shall be made in writing and accompanied by reasonable particulars as to the name, address, telephone numbers, business experience and intended use of the proposed Transferee.
- (c) Tenant shall be responsible for the Landlord's administrative processing costs not to exceed \$1,500.00 plus Sales Taxes and Landlord's legal costs (on a solicitor and own client basis) in respect of such request to Landlord for its consent to a Transfer.

11.2 Terms of Transfer

- (a) In the case of a Transfer which is an assignment of this Lease and either requires Landlord's consent hereunder, Landlord shall be entitled to require the Transferee to enter into a written agreement with Landlord agreeing to be bound by all of Tenant's obligations under this Lease relating to the part of the Premises which is the subject of the Transfer.
- (b) In the case of any Transfer which is a sublease of all or part of the Building, as a condition precedent to any such Transfer, the Transferee shall be required to enter into an agreement with Landlord under which it agrees to abide by and be bound by the terms of this Lease with respect to the subleased premises (except for the obligation to pay rent to Landlord) for the duration of its sublease, the Transferee must attorn to the paramountcy of this Lease that will govern and prevail over any sublease, and waive any rights such Transferee has or may have to retain the unexpired Term of the Lease, or any portion thereof or obtain any right to enter into any lease or other agreement directly with Landlord for the Premises or any portion thereof, or otherwise remain in possession of any portion of the Premises whenever this Lease is terminated or expired.

11.3 Effect of Transfer

- (a) No consent of Landlord to a Transfer shall be effective unless given in writing and no consent shall be implied by any act or omission of Landlord or by Landlord's accepting any payment from any party other than Tenant. No Transfer and no consent by Landlord to a Transfer shall constitute a waiver of the necessity to obtain Landlord's consent to any subsequent Transfer to which Landlord's consent is required.
- (b) No Transfer, and no consent by Landlord to a Transfer, shall release Tenant from any of its obligations under this Lease for the balance of the then current Term. However, during any period that Tenant, as Transferor, remains liable for the obligations of a Transferee under this Lease, Tenant shall not be bound by any amendment of this Lease which increases any obligation or diminishes any right of Tenant from that which existed on the date of the Transfer, unless Tenant shall have specifically consented in writing to the amendment.

- (c) Where this Lease has been assigned with the knowledge and consent (where consent is required) of Landlord, Landlord shall provide Tenant, and any intervening Transferor which remains liable for performance of Tenant's obligations under this Lease, a copy of any notice of any default given by Landlord to a Transferee under this Lease. Tenant or other Transferor shall have the same rights as the Transferee to remedy a default of a Transferee, and upon doing so shall not require Landlord's consent in order to re-enter into possession of the Premises or take back a Transfer of this Lease or the whole or any part of the Premises.
- (d) If this Lease is ever disclaimed, repudiated or terminated by or on behalf of a Transferee in any bankruptcy, insolvency, winding-up or other similar creditors' proceeding, including a proceeding under the Bankruptcy and Insolvency Act, Tenant shall remain responsible for fulfilment of all obligations of Tenant under this Lease for what would have been the balance of the Term but for such disclaimer, repudiation or termination.
- (e) Every Transferee shall be obliged to comply with all of the obligations of Tenant under this Lease.

11.4 Sale by Landlord

If Landlord sells or otherwise transfers the Premises, Landlord shall be automatically and immediately released from liability to Tenant for performance of any obligations subsequently arising under this Lease, to the extent such obligations are assumed by the transferee.

PART 12 **INSURANCE**

12.1 Landlord's Insurance

- (a) From Delivery of Possession until expiry of the Term Landlord shall maintain all insurance on the Premises as would be maintained by a prudent owner of a property similar to the Premises having regard to all relevant factors, including size, age, location, character and condition. Such insurance shall include, at a minimum:
 - (i) property insurance on the Building, excluding foundations, and on the machinery, boilers and equipment owned or operated by Landlord, in an amount equal to full replacement stated amount basis, with coverage against, at a minimum, fire and standard extended coverage perils including sprinkler leakage, earthquake, flood and collapse; and
 - (ii) commercial general liability and property damage insurance, having a minimum limit of Five Million Dollars (\$5,000,000.00) per occurrence and including severability of interests and cross liability provisions.
- (b) Tenant shall not do or permit anywhere on the Premises anything which would result in the cancellation of, or reduction of coverage under, any of Landlord's insurance policies on the Premises. Tenant will be responsible for all premiums and deductibles for Landlord's insurance on the Premises. However, the preceding does not release Tenant from its obligations under Section 12.2.

12.2 Tenant's Insurance

- (a) From Delivery of Possession until expiry of the Term Tenant shall maintain all insurance on the Premises as would be maintained by a prudent tenant of premises similar to the Premises having regard to all relevant factors, including size, age, location, use and condition. Such insurance shall include, at a minimum:
- (i) property insurance on the Leasehold Improvements and Tenant's Property on the Premises, in an amount equal to full replacement cost stated amount basis, with coverage against, at a minimum, fire and standard extended coverage perils including sprinkler leakage, earthquake, flood and collapse;
 - (ii) business interruption insurance with an indemnity period of at least twelve (12) months; and
 - (iii) commercial general liability and property damage insurance relating to Tenant's operations on the Premises, having a minimum limit of Five Million Dollars (\$5,000,000.00) per occurrence and including severability of interest and cross liability provisions.

Tenant's insurance policies may be subject to deductibles and retentions which are reasonable in relation to all relevant factors, including the financial strength of Tenant and Guarantor, if any.

- (b) All policies of insurance taken out by Tenant pursuant to this Lease shall: (i) include Landlord, its mortgagee and manager as additional insureds; (ii) be non-contributing with, and will apply only as primary and not excess to any other insurance available to all and any of Landlord and the Mortgagee; (iii) not be invalidated with respect to the interests of Landlord and the Mortgagee by reason of any breach or violation of warranties, representations, declarations or conditions contained in the policies; and (iv) contain an undertaking by the insurers to notify Landlord and the Mortgagee in writing not less than thirty (30) days before any lapse, cancellation, or termination.

12.3 Waiver of Subrogation

Tenant, on behalf of itself and anyone claiming through it by way of subrogation or otherwise, releases and waives all claims against Landlord for loss of or damage to personal or real property, and loss of its use, required to be insured against by Tenant under this Lease or otherwise insured against by it, whether or not the claim arises as a result of the act, omission or negligence of the other party. Commencing on Delivery of Possession Tenant shall ensure that its insurance policies contain, as applicable, waiver of subrogation endorsements in favour of Landlord, and if such endorsements are about to become unavailable for any reason, it will give Landlord at least thirty (30) days' prior written notice of such impending unavailability.

12.4 General Requirements

Each party shall deliver to the other, promptly upon request, certificates of insurance showing that the required insurance is in force. All policies of insurance required to be maintained by Landlord and Tenant shall be issued by insurance companies which are financially stable according to industry ratings and are authorized to do business in the Province.

12.5 Indemnification

Tenant shall each indemnify Landlord for all losses, damages and expenses, including reasonable legal expenses, relating to loss of life, personal injury, or loss or damage to property, occurring on the Premises, and arising from the negligent or intentional act or omission, or failure to perform its obligations under this Lease, of the indemnifying party or those for whom it is in law responsible. The indemnifying party shall be promptly notified and kept informed of all claims for which indemnification is claimed, and shall have the right to participate in the defence of the claim. However, despite anything in this Lease to the contrary, neither party shall be responsible for any consequential damages suffered by the other party, except to the extent the other party receives, or would have received had it complied with its insurance obligations hereunder, insurance proceeds for that consequential damage. This indemnity shall survive the expiry or other termination of this Lease.

12.6 Employees and Agents

Every indemnity, exclusion or release of liability, and waiver of subrogation contained in this Lease for the benefit of Landlord shall extend to and benefit all of such party's officers, directors, employees, agents and others for whom such party is in law responsible. This indemnity shall survive the expiry or other termination of this Lease.

PART 13 **DAMAGE AND EXPROPRIATION**

13.1 Damage to Premises

- (a) If at any time during the Term, the whole or any part of the Premises is damaged by a peril or casualty which renders the Premises or such part unusable for the purpose of Tenant's use and occupancy, Landlord shall deliver to Tenant within thirty (30) days after the occurrence of the damage, the written opinion of the Architect as to whether or not the Premises are capable, with reasonable diligence, of being repaired or rebuilt within three hundred and sixty-five (365) days from the date of damage.
- (b) If the Architect's opinion states that the Premises are not capable, with reasonable diligence, of being repaired or rebuilt within that three hundred and sixty-five (365) day period, either Landlord or Tenant may terminate this Lease by written notice to the other given within forty-five (45) days after delivery of the Architect's opinion. Upon the effective date of termination Tenant shall surrender the Premises and all Rent shall be apportioned to the date of termination, subject to further abatement as set out in Section 13.1(c).
- (c) If the damage is such as to render the whole or any part of the Premises unusable for the purpose of Tenant's use and occupancy and such damage is not, directly or indirectly, attributable to any negligence, omission, or other act of Tenant or any other person for whom Tenant is responsible, then all Rent payable hereunder shall abate to the extent that Tenant's use and occupancy of the Premises is diminished, from the date of damage until the earlier of: (i) the ninetieth (90th) day after Landlord has completed its repairs to the Premises; and (ii) the date on which Tenant re-commences the conduct of business in the part of the Premises which had been damaged.

- (d) If neither Landlord nor Tenant elects to terminate this Lease pursuant to Section 13.1(b), then Landlord at its sole expense shall diligently proceed to repair or rebuild the Premises. Landlord shall have no obligation to repair or rebuild any Leasehold Improvements or Tenant's Property, which shall be repaired or rebuilt at Tenant's sole expense.

13.2 Damage to Development

Intentionally deleted.

13.3 Expropriation

If at any time during the Term, the whole or any part of the Premises, shall be taken by any lawful power or authority by right of expropriation, Tenant shall have no claim against Landlord for the value of Tenant's leasehold interest or for any resulting loss or damage suffered by Tenant, but Landlord and Tenant shall each be entitled to separately advance their claims for compensation for loss of their respective interests in the Premises and this Lease, and shall be entitled to retain the proceeds of their respective claims.

PART 14 **ENVIRONMENTAL MATTERS**

14.1 Landlord's Responsibility

- (a) Throughout the Term, Landlord shall be responsible for taking all steps at its own expense to remove and dispose of all Hazardous Substances used or brought onto the Premises by the Landlord in violation of applicable Environmental Laws save and except for any such Hazardous Substances placed thereon by Tenant or those for whom it is in law responsible.
- (b) Tenant waives any requirement for Landlord to deliver a copy of a site disclosure report or other environmental assessments relating to the Premises.

14.2 Tenant's Responsibility

Tenant represents and warrants to Landlord that Tenant has not used, brought onto, generated, released, or disposed of any Hazardous Substances in, on or under the Premises at any time prior to and throughout the Term. Tenant shall not at any time use any Hazardous Substances in performing any Tenant's Work, nor bring onto, or generate on, the Premises any Hazardous Substances which will result in violation of any Environmental Laws. Tenant shall indemnify Landlord for all losses, damages and expenses incurred by Landlord as a result of violation by Tenant of the preceding sentence. Where and to the extent any Hazardous Substances are present in the Premises prior to the Term, or caused or brought onto the Premises and/or generated or caused by Tenant (and/or those for whom in law it is responsible), and the presence of same is not in compliance with Environmental Laws, Tenant shall be responsible for any costs related to the clean-up or remediation thereof and shall provide Landlord with such reasonable documentation as Landlord may request which confirms that such Hazardous Substances have been removed from the Premises (including the Lands).

PART 15
DEFAULT AND REMEDIES

15.1 Default of Tenant

If:

- (i) Tenant fails to make any payment of Rent on the due date;
- (ii) Tenant fails to observe or perform any of its obligations under this Lease other than the payment of Rent, and such default continues for thirty (30) days (or such longer period as reasonably required to remedy such default if it cannot, with reasonable diligence, be remedied within such thirty (30) day period, provided that during such thirty (30) day period Tenant commences, and thereafter diligently pursues to complete, remedying such default), or such shorter period as expressly provided herein, after written notice to Tenant specifying the nature of the default and requiring it to be remedied; or
- (iii) Tenant becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or steps are taken for the winding-up or other termination of Tenant's existence or liquidation of its assets, except in conjunction with a bona fide reorganization or amalgamation; or
- (iv) any creditor of Tenant attempts to, or takes any steps to, enforce any of the creditor's remedies as against Tenant;
- (v) Tenant ceases to operate its business continuously from the Premises or Tenant otherwise abandons the Premises,

then the then current and the next three (3) months' Rent shall be forthwith due and payable and, in addition to any other rights or remedies to which Landlord is entitled hereunder or at law, Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (A) to terminate this Lease;
- (B) as agent of Tenant, to relet the Premises and to apply the net proceeds from such reletting, less all reasonable expenses incurred by Landlord on account of the Rent due and becoming due under this Lease, and Tenant shall be liable to Landlord for any deficiency; nothing done by Landlord shall be considered an election to terminate this Lease unless written notice of such termination is given by Landlord to Tenant;
- (C) to remedy Tenant's default, in which case Tenant shall pay to Landlord forthwith upon demand, all costs of Landlord (including all legal costs on a solicitor and client basis and full indemnity basis) in so doing plus an administration fee equal to fifteen (15%) per cent of such costs; and
- (D) to obtain damages from Tenant including, without limitation, if this Lease is terminated, all deficiencies between all amounts which would have been

payable by Tenant for what would have been the balance of the Term but for such termination, and all net amounts, if any, actually received by Landlord for such period.

If this Lease is so terminated, Landlord, to the extent permitted by law, may immediately repossess the Premises and expel all persons or entities from the Premises and may remove all property from the Premises, sell or dispose of it as Landlord considers appropriate, or store it at the cost of Tenant, all without notice, without legal proceedings, and without liability for loss or damage and wholly without prejudice to the rights of Landlord to recover: (i) arrears of Rent or damages for any antecedent default by Tenant of its obligations under this Lease; and (ii) damages for loss of Rent suffered by reason of this Lease having been prematurely terminated.

Tenant shall be responsible for all of the legal costs of the Landlord on a full indemnity basis associated with the Landlord preparing and issuing its notice to Tenant under this Section 15.1 if Tenant is in default. If legal proceedings are brought for recovery of possession of the Premises, for the recovery of Rent or Sales Taxes, in each case because of a default by Tenant, Tenant will pay to Landlord its expenses, including its legal fees on a solicitor and client basis.

15.2 Default of Landlord

If Landlord fails to observe or perform any of its obligations to maintain or repair the Premises under this Lease, and such default continues for thirty (30) days (or such longer period as reasonably required to remedy such default if it cannot, with reasonable diligence, be remedied within such thirty (30) day period, provided that during such thirty (30) day period Landlord commences, and thereafter diligently pursues to complete, remedying such default), or such shorter period as may be reasonable in the circumstances if such default shall create any emergency or any situation which is likely to materially, adversely affect the Premises, after written notice to Landlord specifying the nature of the default and requiring it to be remedied, then in addition to any other rights or remedies to which Tenant is entitled hereunder or at law, Tenant shall have the right, but not the obligation, to remedy such default on behalf of Landlord. All reasonable costs incurred by Tenant in remedying Landlord's default shall forthwith be paid by Landlord to Tenant upon demand.

15.3 Interest

All amounts due and payable by either party to the other shall bear interest from their respective due dates until the date of payment at the rate of two (2%) percent per annum over the Prime Rate of the bank of the party which is owed the money.

15.4 No Waiver

No waiver of any of Tenant's obligations under this Lease or of any of Landlord's rights relating to any default by Tenant hereunder shall be deemed to have occurred as a result of any condoning, overlooking or delay by Landlord relating to any default by Tenant or by any other act or omission of Landlord, including the acceptance of any Rent less than the full amount owing or the acceptance of any Rent after the occurrence of any default by Tenant.

15.5 Remedies Generally

The remedies under this Lease are cumulative. No remedy is exclusive or dependent upon any other remedy. Any one or more remedies may be exercised generally or in combination. The specifying or use of a remedy under this Lease does not limit the right to use other remedies available at law generally.

15.6 Non-Acceptance of Surrender

No acceptance of keys for the Premises by Landlord and no other act of Landlord will be considered as an acceptance by Landlord of a surrender of this Lease by Tenant. Only a written acknowledgement or surrender agreement executed by an authorized representative of Landlord will be effective as an acceptance by Landlord of a surrender of this Lease.

PART 16

TITLE, STATUS STATEMENTS, SUBORDINATION AND ATTORNMENT

16.1 Landlord's Title

Landlord represents and warrants to Tenant, that as at the date of this Lease, Landlord is or will be the registered owner of the Premises, and that the execution and delivery of this Lease shall not be precluded by or cause a breach of any agreement, mortgage, contract or other instrument or document to which Landlord is a party or to which the Premises is subject.

16.2 Status Statements

Within ten (10) days after notice of request from Landlord, Tenant shall execute and deliver to Landlord, or to any lender, purchaser, assignee or other third party recipient specified by the requesting party, a written certificate, in the Landlord's form, stating:

- (a) that this Lease is unmodified and in full force and effect, or identifying any modification;
- (b) the Term and the dates to which Basic Rent and other Rent, including any prepaid amounts, have been paid;
- (c) whether there are any tenant inducements in favour of Tenant then existing which have not yet been paid by Landlord;
- (d) whether there are any existing defences or set-offs in its favour against the enforcement of any of Tenant's obligations under this Lease by Landlord;
- (e) whether there are any existing defaults by Landlord under this Lease, and if so specifying them;
- (f) with reasonable particularity, details concerning Tenant's financial standing and corporate organization; and
- (g) any other information or statements relating to this Lease as may be requested by Landlord or its lender, purchaser, assignee or other third party recipient from time to time.

16.3 Subordination and Attornment

- (a) At the option of Landlord to be expressed in writing from time to time, this Lease and the rights of Tenant hereunder are and shall be subject and subordinate to any and all mortgages, trust deeds and charges (any of which are herein called "**Mortgage**" or "**Mortgages**") on or in any way affecting the Premises or any part thereof now or in the future, including all renewals, extensions, modifications and replacements of any Mortgages from time to time, provided that Tenant may remain in possession of the Premises on the other terms of this Lease so long as Tenant is not in default hereunder beyond all applicable cure periods. Tenant shall, at any time on notice from Landlord or holder of a Mortgage, attorn to and become a tenant of the holder of any of such Mortgages upon the same terms and conditions as set forth herein, and shall execute promptly on request by Landlord any certificates, agreements, instruments of postponement or attornment, or other such instruments or agreements as requested from time to time, to postpone or subordinate this Lease and all of Tenant's rights hereunder to any of such Mortgages or to otherwise give full effect to any of the provisions of this Section 16.3, provided that Tenant may remain in possession of the Premises on the other terms of this Lease so long as Tenant is not in default hereunder beyond all applicable cure periods and provided Tenant receives a non-disturbance agreement in a form satisfactory to Tenant acting reasonably.
- (b) Tenant agrees to attorn to and become the tenant of any party whose title to the Premises is superior to that of Landlord or to any assignee from Landlord of Landlord's interest under this Lease upon the same terms and conditions as are set forth in this Lease and shall execute promptly on request any agreements or instruments of attornment to give effect to such attornment as shall be requested by Landlord at any time and from time to time, provided that Tenant may remain in possession of the Building on the other terms of this Lease so long as Tenant is not in default hereunder beyond all applicable curative periods.
- (c) The form and content of any document confirming or effecting the subordination and attornment provided for in this Section 16.3 will be that required by Landlord or the holder of the Mortgage in each case, and each such document shall be delivered by Tenant to Landlord within ten (10) days after Landlord requests it.
- (d) Upon written request, and at the expense, of Tenant, Landlord shall use its reasonable commercial efforts to obtain a written non-disturbance agreement from any Mortgagee of the Premises who has priority to Tenant's leasehold interest. Such non-disturbance agreement shall provide that notwithstanding the exercise of any rights by any such mortgagee, so long as Tenant is not in default under this Lease and attorns to the mortgagee and Tenant releases and waives any claims Tenant has or may have against any Mortgagee for any default of this Lease by Landlord, Tenant shall be entitled to remain undisturbed in its possession of the Premises, subject to the other terms and conditions of this Lease.

16.4 Notice of Lease

Tenant shall not register this Lease on title to the Premises and Landlord has no obligation to Tenant to deliver a registrable form of this Lease. To the extent that this Lease is registered on title to the Premises, Tenant is solely responsible for all registration fees associate with registering and discharging this Lease from title to the Premises.

PART 17
NOTICES

17.1 Notices

To be effective, any notice given under this Lease must be in writing, directed to the applicable address set out in Section 1.1, and delivered personally or mailed in Canada by registered prepaid post or sent by fax transmission with a copy concurrently sent by express courier. In each case, the sender must be able to produce proof of delivery. Notices shall be deemed given on the Business Day following the day of delivery if personally delivered, on the day of receipt if mailed, and on the Business Day following the day of fax transmission. Any party may change its address or fax number for notice by written notice expressly stating its intent to change that information for all purposes of this Lease, which notice of change shall take effect fifteen (15) days after receipt. Notwithstanding anything to the contrary, throughout the Term, Tenant agrees that any notices to be given to Tenant under this Lease may be delivered by Landlord to the Premises and posted in a conspicuous area on the Building, such as the front door or gate, without copies to any other address that Tenant may provide from time to time.

PART 18
MISCELLANEOUS

18.1 Entire Agreement

This Lease constitutes the entire agreement between the parties regarding its subject matter and may not be modified or supplemented except by further written agreement executed by the parties to this Lease.

18.2 Severability

If any provision of this Lease is illegal, unenforceable or invalid, it shall be considered separate and severable and all the remainder of this Lease shall remain in full force and effect as though such provision had not been included in this Lease, but such provision shall nonetheless continue to be enforceable to the extent permitted by law.

18.3 Applicable Law

This Lease shall be governed by and interpreted in accordance with the laws of the Province. The parties agree that the courts of the Province shall have jurisdiction to determine any matters arising under this Lease.

18.4 Brokers

Landlord acknowledges, and Tenant acknowledges that no broker, agent or other intermediary acted on behalf of Tenant regarding the Premises or this Lease. Tenant agrees to indemnify and hold harmless Landlord from all claims, damages, losses, costs and expenses (including legal fees) suffered or incurred by them arising out of any claim by any person, broker, agent or other intermediary representing Tenant for commission or remuneration relating to the Premises or this Lease. This indemnity shall survive the expiry or other termination of this Lease.

18.5 Successors and Assigns

Subject to the provisions of Part 11, this Lease shall be binding upon and enure to the benefit of the parties to it and their respective successors and assigns.

18.6 Monetary Amounts

Unless otherwise expressly stated, all monetary amounts set out in this Lease are in Canadian currency and are exclusive of any applicable Sales Taxes.

18.7 Intent and Interpretation

Time is of the essence of all terms of this Lease. Any word importing the singular or plural shall include the plural and singular respectively. If any party is comprised of more than one entity, the obligations of each of such entities shall be joint and several. Any word importing persons of either gender or firms or corporations shall include persons of the other gender and firms or corporations where the context so requires. The headings and section numbers appearing in this Lease are included only for convenience of reference and in no way define, limit, construe or describe the scope or intent of any provision of this Lease. Words such as "hereof", "herein", "hereunder", "hereto" and "hereby", and all similar words and expressions, refer to this Lease as a whole and not to any particular section or portion of this Lease.

18.8 Force Majeure

Intentionally deleted.

18.9 Landlord and Representatives to Act Reasonably and in Good Faith

Landlord, and each person acting for Landlord, in making any determination (including, but not limited to, any determination as to whether or not to grant any consent or approval required of it), designation, calculation, estimate, conversion or allocation under this Lease, will act reasonably and in good faith and each accountant, architect, engineer, surveyor and other professional person employed or retained by Landlord will act in accordance with the applicable principles and standards of that person's profession. Any expansions to or severance of the Lands by the Landlord shall be undertaken by the Landlord in good faith with a view to improving the Premises for the benefit of its tenants and shall not result in any increased obligations for the Tenant, monetary or otherwise.

18.10 Planning Act

Intentionally deleted.

18.11 Schedules

The following Schedules are attached to and form part of this Lease:

- (a) Schedule "A" – Legal Description of Lands

18.12 Confidentiality

The terms of this Lease are confidential and constitute proprietary information of the parties. Neither party, nor its respective Agents, shall disclose the terms of this Lease to any other person without the prior written consent of the other party hereto, which consent may be withheld in such party's sole discretion. However, notwithstanding the foregoing, either party may disclose the terms of this Lease to its lenders, accountants,

lawyers and other professional advisors, partners, shareholders, managers and prospective transferees that have a reasonable bona fide need to know such terms, and provided that the disclosing party ensures that such lenders, accountants, lawyers and other professional advisors, partners, shareholders, managers and prospective transferees maintain the confidentiality of such terms. In addition, either party may disclose the terms of this Lease: (i) pursuant to an order of a court of competent jurisdiction, provided that the disclosing party promptly notifies the other party of any motion to compel such disclosure and the disclosure order, and provided further that the disclosing party uses its best efforts to maintain the confidentiality of such terms; or (ii) to any municipal or other governmental authorities having jurisdiction over the Premises in connection with any required rezoning and site plan approvals or the construction or improvement of the Premises.

For the purposes hereof, “**Agents**” means the employees, agents, officers, directors, licensees, contractors and subcontractors of such party.

18.13 Tenant Partnership

If Tenant is a general partnership each person who is a member of the partnership, and each person who becomes a member of a successor of the partnership, is liable jointly and severally as Tenant under this Lease and will continue to be liable after that person ceases to be a member of the partnership or a successor of the partnership and after the partnership ceases to exist.

PART 19 **INDEMNITY BY COVENANTORS**

19.1 Indemnity by Covenantors

- (a) To induce Landlord to execute and deliver this Lease and in consideration of the execution and delivery of this Lease by Landlord, each of the Covenantors, as principal and not as surety, hereby covenants with Landlord that it shall, jointly and severally with any other Covenantors and Tenant, duly perform and observe each and every covenant, proviso, condition and agreement in this Lease on the part of Tenant to be performed and observed, including the payment of Rent and all other payments agreed to be paid under this Lease on the days and at the times and in the manner herein specified, and that if for any reason including the insolvency or bankruptcy of Tenant, Tenant fails to pay the Rent or other sums herein provided to be paid by Tenant as and when they are due and payable, or defaults in the performance or observance of any of the covenants, provisos, conditions or agreements which under the terms of this Lease are to be performed or observed by Tenant, Covenantors shall forthwith perform all of Tenant’s obligations under this Lease, including, without limitation, pay to Landlord, on demand, such Rent and other sums in respect of which such default shall have occurred and all damages, excluding consequential damages, that may arise as a result of the non-observance or non-performance of any of the said covenants, provisos, conditions or agreements.
- (b) Each of the Covenantors covenants with Landlord that it is jointly and severally bound with Tenant for the fulfilment of all obligations of Tenant under this Lease. In the enforcement of its rights hereunder, Landlord may proceed against any Covenantors as if it were named Tenant hereunder.

- (c) Each of the Covenantors hereby waives any right to require Landlord to proceed against Tenant or to proceed against or to exhaust any security held from Tenant or to pursue any other remedy whatsoever which may be available to Landlord before proceeding against any Covenantors.
- (d) No neglect or forbearance of Landlord in endeavouring to obtain payment of the rent reserved herein or other payments required to be made under the provisions of this Lease as and when they become due, no delay of Landlord in taking any steps to enforce performance or observance of the covenants, provisos and conditions contained in this Lease to be performed or observed by Tenant, no extensions of time which may be given by Landlord from time to time to Tenant, and no other act or failure to act of or by Landlord shall release, discharge or in any way reduce the obligations of any Covenantors under its covenants contained in this Part.
- (e) In the event of termination of this Lease, except by surrender accepted by Landlord, or in the event of disclaimer of this Lease pursuant to any statute, then at the option of Landlord, each of the Covenantors shall execute a new lease of the Premises between Landlord as landlord and one or more Covenantors as tenant for a term equal in duration to the residue of the Term remaining unexpired at the date of such termination or disclaimer. Such lease shall contain the same Landlord's and Tenant's obligations respectively, and the same covenants, provisos, agreements and conditions in all respects (including the proviso for re-entry) as are contained in this Lease.
- (f) Each of the Covenantors hereby submits to the jurisdiction of the courts of the Province in any action or proceeding by Landlord to enforce its rights under this Lease.
- (g) Notwithstanding anything herein to the contrary, the provisions of this Section 19.1, and the obligations and liabilities of all Covenantors hereunder, shall survive the disclaimer or earlier termination of this Lease if such earlier termination is due to a default of Tenant (including, without limitation, if such termination arises during any creditors proceeding).

The remainder of this page is intentionally blank.

IN WITNESS WHEREOF the parties have properly executed this Lease.

2427324 ALBERTA LTD.

Per: 
Name: RAY REDEKOPP
Title: Director

I have authority to bind the corporation.

VIC VAN ISLE CONSTRUCTION LTD.

Per: _____
JAMIE HAMPTON

I have authority to bind the corporation.

KENNETH LEWIS HENDRICKSON
(as covenantor, jointly and severally with
Bruce and Jamie)

BRUCE WALKER
(as covenantor, jointly and severally with
Lewis and Jamie)

JAMIE HAMPTON
(as covenantor, jointly and severally with
Bruce and Lewis)

S

SCHEDULE "A"

LEGAL DESCRIPTION OF LANDS

Parcel Identifier: 016-287-151

Legal Description:

PARCEL A (SEE XD26998) TOWNSHIP 23 RANGE 2 WEST OF THE 6TH MERIDIAN KOOTENAY
DISTRICT PLAN 10022

October 18, 2022

File No.: 516337-22

Sent via email to lewis@vvi-ltd.com, bruce.walker@vicvanislegroup.com, & jamie@vvi-ltd.com

Originals delivered by Hand

Vic Van Isle Construction Ltd.
96 Cartier Street
Revelstoke, BC

CC:

Kenneth Lewis Hendrickson
7940 Tronson Road
Vernon, BC V1H 1C6;

Bruce Walker
1240 Industrial Road
Kelowna, BC V1Z 1G5; and

Jamie Hampton
4456 Airport Way
Revelstoke, BC V0E 2S3

Dear Sirs:

Re: Lease dated July 4, 2022 (the "Lease") between 2427324 Alberta Ltd., as the landlord, and Vic Van Isle Construction Ltd. ("VVI"), as tenant over certain premises located at 96 Cartier Street, Revelstoke, British Columbia (the "Premises") for a term expiring August 31, 2023

We are counsel for your landlord, 2427324 Alberta Ltd. (the "**Landlord**"), in connection with the Lease for the Premises presently under VVI's possession. We enclose a Notice of Default signed by the Landlord. As of today's date, the arrears of rent plus interest owing under the Lease amount to \$116,639.63 as summarized in the statement of account which accompanies the Notice of Default.

Pursuant to the Lease, interest is payable on the Arrears, at a rate per annum of prime plus 2%, which currently is 7.450% but subject to change.

The Landlord demands immediate payment of the full amount of the Arrears and interest thereon at the rate specified above. Payment must be made to the Landlord at:

c/o Luxor Management Inc.
300 – 128 Pine Street,
Sudbury, Ontario P3C 1X3

Attention: Cathy Nero & Jay Mancini

We remind you that rent must be paid when due. The Landlord will not waive the obligation for timely payment of rent or its option to terminate the Lease immediately for late payment or any other default pursuant to Section 15.1 of the Lease. The Landlord's acceptance of any portion of the Arrears, interest, future rent, or other outstanding amounts will not constitute a waiver of any prior default or any anticipatory breach of the Lease, the rights and remedies for which are hereby reserved.

This is your final notice of default and if you fail to pay the Arrears in full forthwith, the Landlord will not give any further notice prior to exercising the Landlord's rights and remedies under the Lease, including without limitation, termination of the Lease.

We urge you to make arrangements for the payment of the Arrears and interest thereon and to ensure that all future rent is paid when due to avoid future consequences.

Yours truly,

Dentons Canada LLP



Wilfred Chan
Partner

WC/jtl

NOTICE OF DEFAULT

FROM: 2427324 Alberta Ltd (“**Landlord**”)
TO: Vic Van Isle Construction Ltd. (“**Tenant**”)
AND TO: Kenneth Lewis Hendrickson, also known as Lewis Hendrickson, Bruce Walker and Jamie Hampton (collectively, the “**Covenantor**”)

Re: Lease dated July 4, 2022 between Landlord, Tenant, and Covenantor (“**Lease**”) of premises located at 96 Cartier Street, Revelstoke, British Columbia (“**Premises**”)

Take notice that as tenant under the Lease you are in default of the Lease by reason of failure to pay Basic Rent and Additional Rent and GST when due, pursuant to sections 1(g), 1(h), 4.2 and 4.3 of the Lease. Pursuant to section 15.3 of the Lease, interest is payable on the arrears at 2% per annum over the Prime Rate of the bank of the party which is owed money, from the date such Rent became due, to and including the date of payment. As of October 17, 2022, the arrears of Rent and Additional Rent and GST and interest are \$116,639.63 and the Landlord hereby demands payment of that amount. A current statement of account, showing the calculation of that amount is enclosed for your reference.

Under section 15.1 of the Lease, you are required to remedy that default immediately from the date of this notice. Failure by you to pay the arrears plus interest immediately from the date of this notice, will permit the Landlord to exercise, without further notice to you, any remedies available to it under the Lease, or at law or otherwise. Such remedies include the right to re-enter and repossess the Premises, terminate the Lease and your tenancy at the Premises, and hold you liable for all outstanding amounts, costs, and damages (including all of the Landlord’s reasonable costs and out-of-pocket expenses, including complete legal costs on a full indemnity basis pursuant to sections 4.3(a)(iv) and 15.1), as well as for all prospective losses and damages arising from the unexpired portion of the term and based on a present recovery for unpaid future Rent, and for any other consequential loss, including losses arising from your failure to carry on business.

Notice of this default is also given to the Covenantor pursuant to its liability under the provisions of Section 19.1 of the Lease. Without limiting the Landlord’s rights under the provisions of Section 19.1 of the Lease, the Landlord gives notice that it will not be bound to exercise its remedies against the Tenant or any other person before exercising its rights against the Covenantor.

DATED at Revelstoke, British Columbia on 10/18/2022 October, 2022.

2427 DocuSigned by:

BY: 
E0F892B950C2453...
Authorized Signing Officer: Ray Redekopp

STATEMENT OF ACCOUNTS as of
Oct. 17, 2022

Outstanding Basic Rent

Additional Rent

	Used security deposit	Lease provision
August rent		
Security deposit repayment	\$45,520.30	1.1(h), 1(g), 4.3
September rent (paid \$35,000)	\$10,520.30	
October rent	\$45,520.30	
Insurance	\$7,865.00	4.3(a)(iv)
Legal	\$6,232.28	4.3(a)(iv)
	\$115,658.18	

**Sub-Total Basic Rent and
Additional Rent**

*Interest Owing up to October 16,
2022*

Rent	Days o/s	
Security Deposit	77	\$715.42
September rent	46	\$98.78
October rent	16	\$148.66
Insurance (\$7,865/12=655.42)		
August	77	\$10.30
September	46	\$6.15
October	16	\$2.14
Sub-Total Interest		\$981.45

Total Due **\$116,639.63**

Per Diem Amounts

Daily Interest on rent per diem	\$9.29
Per Diem - insurance	\$21.14
Daily Interest on insurance per diem	\$0.13

Wilfred Chan
Partner
wilfred.chan@dentons.com
D +1 604 622 5189

Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, BC, Canada V6C 3R8

dentons.com

November 2, 2022

File No.: 516337-22

Sent via email to lewis@vvi-ltd.com, bruce.walker@vicvanislegroup.com, & jamie@vvi-ltd.com
Originals delivered by Hand

Vic Van Isle Construction Ltd.
Attn: Jamie Hampton, Bruce Walker and Lewis Hendrickson
96 Cartier Street
Revelstoke, BC
Dear Sirs:

Re: Lease dated July 4, 2022 (the "Lease") between 2427324 Alberta Ltd., as the landlord, and Vic Van Isle Construction Ltd. ("VVI"), as tenant over certain premises located at 96 Cartier Street, Revelstoke, British Columbia (the "Premises") for a term expiring August 31, 2023

As you know, we are counsel for your landlord, 2427324 Alberta Ltd. (the "**Landlord**"), in connection with the Lease for the Premises presently under VVI's possession. Further to our previous letter dated October 18, 2022, whereby we advised you that the tenant owes the amount of \$116,639.63 plus interest ("**Arrears**"), we are writing now to advise you that Basic Rent (as defined in the lease) plus Additional Rent amounts for property taxes and civic utilities for the month of November 2022, in the aggregate amount of \$45,520.30, plus interest and all other enforcement costs incurred by the Landlord, including, without limitation, legal fees, bailiff fees and storage cost, are now due and outstanding (collectively the "**Additional Arrears**").

Pursuant to the Lease, interest is payable on the Additional Arrears, at a rate per annum of prime plus 2%, which currently is 7.450% but subject to change.

The Landlord demands immediate payment of the full amount of the Additional Arrears and interest thereon at the rate specified above. Payment must be made to the Landlord at:

c/o **Luxor Management Inc.**
300 – 128 Pine Street,
Sudbury, Ontario P3C 1X3

Attention: Cathy Nero & Jay Mancini

We remind you that rent must be paid when due. The Landlord will not waive the obligation for timely payment of rent or its option to terminate the Lease immediately for late payment or any other default pursuant to Section 15.1 of the Lease. The Landlord's acceptance of any portion of the Arrears, Additional Arrears, interest, future rent, or other outstanding amounts will not constitute a waiver of any prior default or any anticipatory breach of the Lease, the rights and remedies for which are hereby reserved.

[LuatViet](#) ► [Fernanda Lopes & Associados](#) ► [Guevara & Gutierrez](#) ► [Paz Horowitz Abogados](#) ► [Sirote](#) ► [Adepetun Caxton-Martins Agbor & Segun](#) ► [Davis Brown](#) ► [East African Law Chambers](#) ► [Eric Silwamba, Jalasi and Linyama](#) ► [Durham Jones & Pinegar](#) ► [LEAD Advogados](#) ►
For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

The Landlord has no obligations to give you any notice prior to exercising the Landlord's rights and remedies under the Lease.

We urge you to make arrangements for the payment of the Additional Arrears and interest thereon and to ensure that all future rent is paid when due to avoid future consequences.

Yours truly,

Dentons Canada LLP



Wilfred Chan
Partner

WC/jtl

ACCURATE EFFECTIVE BAILIFFS LTD.

Government Licensed and Bonded

6139 Trapp Avenue Burnaby, BC V3N 2V3
Phone: (604) 526-3737 Fax: (604) 526-3716

DISTRESS WARRANT ("RENT DISTRESS ACT")

INVOICE NO.
GST# R100028513

YOU are hereby authorized and required to distraint the goods and chattels of *Vic Van Isle Construction Ltd.*
Situated at **96 Cartier Street** in the city of **Revelstoke** in the Province of **British Columbia**,
for the sum of **One Hundred and sixteen thousand six hundred and thirty-nine dollars and 63 cents**
Being **rent and additional rent** due to me for the same on the **17th day of October 2022**
AND proceed thereon for the recovery of the said rent and your lawful fees as the law directs.

IN CONSIDERATION of your acting on our behalf as our agent to levy distress on the aforementioned property, we will guarantee the payment of your fees and disbursements as agreed and we will at all times hereafter indemnify you against any loss, costs, damages, your own out-of-pocket solicitor's fees and expenses and costs of whatever kind or nature which you may incur by reason of or in consequence of acting as our agents and bailiffs to levy distress of the aforementioned property.

Dated at **Revelstoke B.C.,** this **18** day of **October** 2022

Doc 2427324 Alberta Ltd.

Ray Redekopp
Authorized signatory **Ray Redekopp**

INVENTORY

*John Deere 624K loader
S/N 1D1W624K+VEE661885*

Genie Lift 45/25 2452513A-97333

And any such goods, chattels, and effects, not exempt under the act, but sufficient to cover all arrears of rent and costs, charges and expenses

Dated at **Revelstoke B.C.,** this **20** day of **October** 2022

Peter Powers
Bailiff for: **Peter Powers**
ACCURATE EFFECTIVE BAILIFFS LTD.

SCHEDULE

Rent/Additional Rent	\$116,639.63
Levying	\$ 1,182.89
Man in possession	\$ 6.00
Appraisal	\$
Courier / EFT / Wire	\$ 25.00
Advertising (Actual Cost)	\$
Cartage, Towing	\$
Storage	\$
Poundage	\$ 3,341.00
Searches	\$ 75.00
Mileage	\$ 327.00
Other FILING	\$ 125.00
GST	\$ 254.09
TOTAL	\$121,975.61

TO: ACCURATE EFFECTIVE BAILIFFS LTD.

IN CONSIDERATION of your withdrawing the man in possession of the goods and chattels now under seizure by you and mentioned in the inventory on the Notice of Seizure, the receipt of a copy of which I hereby acknowledge, I AGREE to act as Bailee without remuneration and to hold the goods and chattels in my possession, and on the premises, AND AGREE to deliver same over at any time upon request. I AGREE that the withdrawal of the man in possession does not constitute abandonment of the distress. You may also use a key or any other means to gain re-entry.

Date: _____ Signature: _____

ACCURATE EFFECTIVE BAILIFFS LTD.

Government Licensed and Bonded

6139 Trapp Avenue Burnaby, BC V3N 2V3
Phone: (604) 526-3737 Fax: (604) 526-3716

TO: **Vic Van Isle Construction Ltd.**

Arrears	\$	_____
Location Fees	\$	_____
Seizure Fees	\$	_____
Mileage	\$	_____
Cartage/Towing	\$	_____
Storage	\$	_____
Advertising	\$	_____
Appraisal	\$	_____
Commission	\$	_____
Other	\$	_____
TOTAL	\$	_____

NOTICE OF SEIZURE

TAKE NOTICE that under and by virtue of a warrant directed to me by **Dentons Canada LLP legal counsel for 2427324 Alberta Ltd.**, I have seized the goods, chattels, and effects as listed, to recover the sum of **One Hundred and sixteen thousand six hundred and thirty-nine dollars and 63 cents** and costs, charges and expenses, being the amount owing by reason of a certain LEASE July 4 2022 dated made between **2427324 Alberta Ltd. (the Landlord)** and **Vic Van Isle Construction Ltd. (the Tenant)**. AND FURTHER TAKE NOTICE that unless I receive the said sum of **\$116,639.63 and costs charges and expenses** On or before 5 days from the date of this notice I shall cause the said goods, chattels, and effects to be sold as the **RENT DISTRESS ACT** permits and law allows.

INVENTORY OF SEIZED GOODS

John Deere 624 Loader
10W624 KTVEFG61885

Genie Lift 45/25
Z 452513A - 47333



Dated Revelstoke, B.C.
This 20 day of October 2022

ACCURATE EFFECTIVE BAILIFFS LTD.

Government Licensed and Bonded

6139 Trapp Avenue Burnaby, BC V3N 2V3
Phone: (604) 526-3737 Fax: (604) 526-3716

TO: **Vic Van Isle Construction Ltd.**

Arrears	\$	_____
Location Fees	\$	_____
Seizure Fees	\$	_____
Mileage	\$	_____
Cartage/Towing	\$	_____
Storage	\$	_____
Advertising	\$	_____
Appraisal	\$	_____
Commission	\$	_____
Other	\$	_____
TOTAL	\$	_____

NOTICE OF SEIZURE

TAKE NOTICE that under and by virtue of a warrant directed to me by **Dentons Canada LLP legal counsel for 2427324 Alberta Ltd.**, I have seized the goods, chattels, and effects as listed, to recover the sum of **Forty eight thousand nine hundred and sixty-five dollars and 86 cents** and costs, charges and expenses, being the amount owing by reason of a certain LEASE July 4 2022 dated made between **2427324 Alberta Ltd. (the Landlord)** and **Vic Van Isle Construction Ltd. (the Tenant)**. AND FURTHER TAKE NOTICE that unless I receive the said sum of **\$ 48,965.86 and costs charges and expenses** On or before 5 days from the date of this notice I shall cause the said goods, chattels, and effects to be sold as the **RENT DISTRESS ACT** permits and law allows.

INVENTORY OF SEIZED GOODS

*Caterpillar TL1255 4x4 Material Handler
S/N TBN01026*



Dated *R. V. Stokes*, B.C.
This *24* day of November 2022

ACCURATE EFFECTIVE BAILIFFS LTD.

Government Licensed and Bonded

6139 Trapp Avenue Burnaby, BC V3N 2V3
Phone: (604) 526-3737 Fax: (604) 526-3716

DISTRESS WARRANT ("RENT DISTRESS ACT")

INVOICE NO.
GST# R100028513

YOU are hereby authorized and required to distrain the goods and chattels of **Vic Van Isle Construction Ltd.**
Situating at **96 Cartier Street** in the city of **Revelstoke** in the Province of **British Columbia**,
for the sum of **Forty eight thousand nine hundred and sixty-five dollars and 86 cents**.
Being **rent and additional rent** due to me for the same on the **1 day of November 2022**
AND proceed thereon for the recovery of the said rent and your lawful fees as the law directs.

IN CONSIDERATION of your acting on our behalf as our agent to levy distress on the aforementioned property, we will guarantee the payment of your fees and disbursements as agreed and we will at all times hereafter indemnify you against any loss, costs, damages, your own out-of-pocket solicitor's fees and expenses and costs of whatever kind or nature which you may incur by reason of or in consequence of acting as our agents and bailiffs to levy distress of the aforementioned property.

Dated at **Revelstoke B.C.,** this **3** day of **November 2022**
2427324 Alberta Ltd.

Authorized signatory Ray Redekopp

INVENTORY

Seized 2008 Gradall 544D-10 4X4 S/N 0160032663 or 0160032696 x initials 

Multiple horizontal lines for inventory details.

And any such goods, chattels, and effects, not exempt under the act, but sufficient to cover all arrears of rent and costs, charges and expenses

Dated at **Revelstoke B.C.,** this **8** day of **November 2022**

Peter Powers 

Bailiff for:

ACCURATE EFFECTIVE BAILIFFS LTD.

SCHEDULE

Rent/Additional Rent	\$ 48,965.86
Levying	\$ 505.15
Man in possession	\$ 6.00
Appraisal	\$
Courier / EFT / Wire	\$ 25.00
Advertising (Actual Cost)	\$
Cartage, Towing	\$
Storage	\$
Poundage	\$ 1,974.13
Searches	\$ 75.00
Mileage	\$ 250.00
Other FILING	\$ 125.00
GST	\$ 148.01
TOTAL	\$ 52,074.15

TO: ACCURATE EFFECTIVE BAILIFFS LTD.

IN CONSIDERATION of your withdrawing the man in possession of the goods and chattels now under seizure by you and mentioned in the inventory on the Notice of Seizure, the receipt of a copy of which I hereby acknowledge, I AGREE to act as Bailee without remuneration and to hold the goods and chattels in my possession, and on the premises, AND AGREE to deliver same over at any time upon request. I AGREE that the withdrawal of the man in possession does not constitute abandonment of the distress. You may also use a key or any other means to gain re-entry.

Date: November 8, 2022, Signature X 

ACCURATE EFFECTIVE BAILIFFS LTD.

Government Licensed and Bonded

6139 Trapp Avenue Burnaby, BC V3N 2V3
Phone: (604) 526-3737 Fax: (604) 526-3716

TO: ***Vic Van Isle Construction Ltd.***

Arrears	\$	_____
Location Fees	\$	_____
Seizure Fees	\$	_____
Mileage	\$	_____
Cartage/Towing	\$	_____
Storage	\$	_____
Advertising	\$	_____
Appraisal	\$	_____
Commission	\$	_____
Other	\$	_____
TOTAL	\$	_____

NOTICE OF SEIZURE

TAKE NOTICE that under and by virtue of a warrant directed to me by **Dentons Canada LLP legal counsel for 2427324 Alberta Ltd.**, I have seized the goods, chattels, and effects as listed, to recover the sum of **Forty eight thousand nine hundred and sixty-five dollars and 86 cents** and costs, charges and expenses, being the amount owing by reason of a certain LEASE July 4 2022 dated made between **2427324 Alberta Ltd. (the Landlord)** and ***Vic Van Isle Construction Ltd. (the Tenant)***. AND FURTHER TAKE NOTICE that unless I receive the said sum of **\$ 48,965.86** and costs charges and expenses On or before 5 days from the date of this notice I shall cause the said goods, chattels, and effects to be sold as the **RENT DISTRESS ACT** permits and law allows.

INVENTORY OF SEIZED GOODS

Seized 2008 Gradall 544D-10 4X4 S/N 0160032663 or 0160032696



Dated Revelstoke , B.C.

This 8th day of November 2022

This is Exhibit “R” referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

November 29, 2022

WITH PREJUDICE

Redekopp Group

Attention: Ray Redekopp
1011 Ouellette Avenue
Windsor, ON N9A 4J9

And

Accurate Effective Group

Attention: Peter Powers
6139 Trapp Avenue
Burnaby, BC V3N 2V3

And

Dentons LLP

Attention: Wilfred Chan
20th Floor
250 Howe Street
Vancouver, BC V6C 3R8

Dear Sirs/Mesdames:

Re: Vic Van Isle Construction (the “Borrower”)

We send this letter marked “with prejudice”. We have not received a response to our letter dated November 24, 2022 regarding certain Seized Equipment (our “**Letter**”). Capitalized terms used but not defined herein are given the meaning ascribed to such terms in our Letter.

We have received none of the information or supporting documentation requested in our Letter, including a copy of any lease terms, a calculation of the amount of any rent in arrears, the nature of any default under any lease terms and any marketing efforts related to the Seized Equipment.

You owe a duty to the Lender as the first secured creditor of the Seized Equipment. We shall hold you liable for any steps taken to sell the Seized Equipment without this information being provided and your actions and claim being substantiated.

Please let us know if and when you are available to discuss this further in an effort to reach an amicable resolution and avoid costly litigation.

Asim Iqbal

Direct Line: 416.597.6008
Direct Fax: 416.595.8695
aiqbal@millert Thomson.com

Yours truly,
MILLER THOMSON LLP

Per:

A handwritten signature in black ink, appearing to be 'AI', with a long horizontal stroke extending to the right.

Asim Iqbal
Partner

AI/sg





MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

November 30, 2022

WITH PREJUDICE

Redekopp Group

Attention: Ray Redekopp
1011 Ouellette Avenue
Windsor, ON N9A 4J9

And

Accurate Effective Group

Attention: Peter Powers
6139 Trapp Avenue
Burnaby, BC V3N 2V3

And

Dentons LLP

Attention: Wilfred Chan
20th Floor
250 Howe Street
Vancouver, BC V6C 3R8

Dear Sirs/Mesdames:

Re: Vic Van Isle Construction (the “Borrower”)

We refer to our letters dated November 24 and 29, 2022. Capitalized terms used in this letter but not defined are given the meanings ascribed to such terms in our previous letters.

We have still not received:

1. evidence of the value of the Seized Equipment; and
2. details of all marketing efforts taken or intended to be taken by the Bailiff in respect of the Seized Equipment.

We remain highly concerned, especially in light of the details disclosed in your letter dated November 29, 2022 whereby you advise that no rent has been paid and that, without any prior notice to the Lender, assets have been voluntarily given to the owner of the real property.

Lastly, we received a copy of a fully executed lease agreement. Please confirm and provide evidence of when Dentons received a copy of the complete signature page.

Please do not hesitate to contact the undersigned if you wish to discuss.

Yours truly,
MILLER THOMSON LLP
Per:

A handwritten signature in black ink, appearing to be 'AI', with a long horizontal stroke extending to the right.

Asim Iqbal
Partner

AI/sg



November 30, 2022

File No.: 592936-1

SENT VIA EMAIL: aiqbal@millertthomson.com

Miller Thomson LLP
Scotia Plaza
40 Kings Street West, Suite 5800
P.O. Box 1011
Toronto, ON, Canada M5H 3S1

Attention: Asim Iqbal

Dear Sir/Madam:

Re: Vic Van Isle Construction Ltd. (the "Tenant")

I am writing in response to your letter of today's date.

The Bailiff set out in his Notice of Repossession and Intention to Sell ("Notice") delivered to your client, Mitsubishi and Hitachi on November 22, 2022 (and enclosed in our letter to you yesterday), that the Bailiff would be in a legal position to sell on November 30, 2022. To date, the Bailiff has not yet incurred the cost of notarized appraisals for the Seized Equipment, nor has the Bailiff undertaken any marketing efforts to sell the same. Rather the Bailiff has been holding off on incurring those additional costs, so as to provide those with a security interest in the Seized Equipment the opportunity to assert and prove they had a purchase money security interest ("PMSI") in the Seized Equipment.

With that said, the Notice sought information establishing a PMSI from all interested parties no later than today. To date, none of your letters or emails have come close to indicating or asserting that your client may have a PMSI in the Secured Equipment despite our repeated requests to advise us of the same. This glaring gap leads us to believe that your client does not have a PMSI. If I am wrong in that conclusion, then please advise immediately and provide us evidence supporting the same.

As for your concern about notice not being given to the Lender prior to the Seized Equipment being surrendered by the Tenant/Borrower to the Bailiff, to my knowledge, the Landlord/Owner has no agreement with the Lender that would oblige it to notify the Lender of its intention to exercise its right to distraint. Any obligation to notify the Lender, if there is one, would be owed to the Lender by the Borrower/Tenant not the Landlord/Owner.

Thank you for confirming you have received the fully executed lease. The lease was a closing document deliverable in the purchase of the Premises by the Landlord/Owner.

With respect, this correspondence going back and forth is simply driving up the costs of the Borrower/Tenant. The most important question we want and need you to answer is whether your client believes it has a PMSI in the Seized Equipment and prove why.

I look forward to your response to this outstanding question.

Yours truly,

Dentons Canada LLP

A handwritten signature in blue ink, appearing to read "Lisa M. Low".

Lisa M. Low
Counsel

This is Exhibit "S" referred to in the Affidavit of Philippe Frenette sworn by Philippe Frenette of the City of Montreal, in the Province of Quebec, before me at the Town of Milton, in the Province of Ontario, on December 2, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Asim Iqbal
F56A05928F0A4AC...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

No.

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

MITSUBISHI HC CAPITAL CANADA INC.

Petitioner

- and -

VIC VAN ISLE CONSTRUCTION LTD.

Respondent

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
VIC VAN ISLE CONSTRUCTION LTD.**

CONSENT TO ACT AS RECEIVER

BDO Canada Limited hereby consents to act as the court-appointed receiver over certain of the assets and properties of Vic Van Isle Construction Ltd. in accordance with the terms of the Order Made After Application substantially in the form requested by the Petitioner.

Date: December 1, 2022

BDO CANADA LIMITED



Per: Jervis Rodrigues
Title: Senior Vice-President

No.

Vancouver Registry

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AFFIDAVIT #1 OF PHILIPPE FRENETTE

MILLER THOMSON LLP
2200 – 700 West Georgia Street
Vancouver, BC, Canada V7Y 1K8
Telephone: 604.687.2242

Attention: Bryan J. Hicks
File No.: 0267850.0001