

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

*IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended,
and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3,
as amended*

B E T W E E N:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as court-appointed receiver and manager of
Bridging Finance Inc. and certain related entities and investment funds)

Applicant

- and -

SKYMARK FINANCE CORPORATION and MERK INVESTMENTS LTD.

Respondents

**APPLICATION RECORD
(returnable on a date to be set)**

December 30, 2022

Thornton Grout Finnigan LLP
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Toronto, ON M5K 1K7

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Lawyers for the Applicant

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TAB 1



Court File No. CV-22_____ -00CL

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NOTICE OF APPLICATION

TO THE RESPONDENTS:

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

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

- ☐ In person
- ☐ By telephone conference
- ☒ By video conference, via Zoom, the details of which will be provided by the Court

before the Ontario Superior Court of Justice (Commercial List) on a date to be set by the Court, at Toronto, Ontario, in accordance with the changes to the Commercial List operations in light of the COVID-19 pandemic, and the regional and provincial Notices to the Profession effective April 19, 2022 and August 2, 2022, respectively. Please advise if you intend to attend the hearing by emailing Adam Driedger at adriedger@tgf.ca.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of*

Civil Procedure, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

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

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

Date	<u>30-DECEMBER-2022</u>	Issued by	<u>Gurwinderjit Singh Brar</u> Local Registrar
		<small>Digitally signed by Gurwinderjit Singh Brar Date: 2022.12.30 10:43:07 -05'00'</small>	

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

TO: THIS HONOURABLE COURT

AND TO THE RESPONDENTS: SKYMARK FINANCE CORPORATION
300 - 46 Village Centre Place
Mississauga, Ontario
L4Z 1V9

MERK INVESTMENTS LTD.
300 - 46 Village Centre Place
Mississauga, Ontario
L4Z 1V9

APPLICATION

1. PricewaterhouseCoopers Inc., solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. (“**BFI**”) and certain related entities and investment funds (the “**Applicant**” or the “**Bridging Receiver**”) makes this Application for an Order (the “**Receivership Order**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”), substantially in the form attached at Tab 3 of the Applicant’s Application Record, among other things:
 - (a) authorizing service of this Notice of Application and the materials filed in support of the Application via electronic mail and dispensing with further service thereof;
 - (b) appointing Alvarez & Marsal Canada Inc. (“**A&M**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the current and future assets, undertakings, and properties (the “**Property**”) of Skymark Finance Corporation (“**Skymark**”) and Merk Investments Ltd. (“**Merk**” and together with Skymark, the “**Respondents**”); and
 - (c) such further and other relief as this Honourable Court may deem just.
2. The Applicant also claims against or in respect of the Respondents as follows:
 - (a) repayment from Skymark of the sum of \$47,378,007.95 with respect to the Loans (as defined below) as at November 30, 2022, together with interest at the rate payable under the Loans to the date of payment and all fees and expenses payable by Skymark pursuant to the agreements governing the Loans;
 - (b) in the alternative to subparagraph (a), damages from Skymark for breach of contract in the amount of \$47,378,007.95;
 - (c) repayment from Skymark of the sum of \$23,306,000 with respect to the Additional Loan (as defined below) as at November 30, 2022, together with interest at the rate payable under the Additional Loan to the date of payment and all fees and expenses payable by Skymark pursuant to the agreements governing the Additional Loan;

- (d) in the alternative to subparagraph (c), damages from Skymark for breach of contract in the amount of \$23,306,000;
- (e) payment from Merk in the amount of \$1,000,000 pursuant to Merk's secured guarantee of the Loans, together with interest at the rate payable under the Merk Guarantee to the date of payment;
- (f) pre-judgment and post-judgment interest on the amounts claimed under subparagraphs (b) and (d) above pursuant to the CJA;
- (g) in the alternative to the interest claimed under subparagraphs (a), (c) and (e) above, pre-judgment and post-judgment interest pursuant to the CJA; and
- (h) the costs of this proceeding on a full indemnity basis, plus interest and all applicable taxes.

THE GROUNDS FOR THE APPLICATION ARE:

Overview

- 3. All capitalized terms not expressly defined herein are defined in the Affidavit of Christine Sinclair sworn December 30, 2022, located at Tab 2 of the Bridging Receiver's Application Record (the "**Sinclair Affidavit**").
- 4. By orders of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated April 30, 2021 (the "**Appointment Order**"), May 3, 2021 (the "**Additional Appointment Order**"), and May 14, 2021 (the "**Continuation Order**" and collectively, the "**Appointment Orders**"), PwC was appointed as the Bridging Receiver.
- 5. PwC was appointed as the Bridging Receiver pursuant to section 129 of the *Securities Act* R.S.O. 1990, c. S. 5, as amended, upon application by the Ontario Securities Commission (the "**Commission**") as a result of the Commission's ongoing investigation into Bridging and certain related individuals and entities.
- 6. The Bridging Receiver was appointed to protect the interests of, and maximize value for, Bridging's investors and the other stakeholders

7. One group of loans in Bridging's portfolio are the Loans that were made available to Skymark by BFI as agent on behalf of certain Bridging Funds (collectively, the "**Lender**"). As at November 30, 2022, \$47,378,007.95 is outstanding under the Loans. Skymark is in default under the Loans and Merk is in default of its obligations under its secured guarantee of the Loans, which is limited to the principal amount of \$1,000,000.
8. The Bridging Receiver has issued demand letters and Notices of Intention to Enforce Security pursuant to section 244 of the BIA to each of the Respondents. The statutory 10-day notice period has expired, and the Respondents have failed to fully repay their respective obligations. As a result of the failure by Skymark to repay the Loans, and the failure by Merk to pay the amount owing under its secured guarantee of the Loans, the Bridging Receiver has a contractual right to seek the appointment of the proposed Receiver pursuant to the applicable security documents.
9. The value of the collateral subject to the Lender's security has steadily declined since the appointment of the Bridging Receiver. This decline in value has not been matched by a reduction in the amount outstanding under the Loans, with the result that the Lender's security position has deteriorated. The Bridging Receiver is concerned that the Lender's security position will further deteriorate unless steps are taken to ensure that the proceeds of all collateral subject to the Lender's security are applied in reduction of the Loans.
10. The Bridging Receiver brings this application to appoint A&M as Receiver of the Respondents to protect the value of Bridging's security and in an effort to minimize any losses that Bridging's stakeholders will suffer in respect of the Loans. The Bridging Receiver seeks the appointment of an independent court officer as Receiver of the Respondents to preserve the value of the Property and to implement an orderly sale or liquidation of such Property, or restructuring of the Respondents, for the benefit of all stakeholders under the supervision of this Court.

Corporate Information & Business of the Respondents

11. Each Respondent is a corporation incorporated under the laws of the Province of Ontario. The registered head office of each Respondent is located at 46 Village Centre Place, 3rd

Floor, Mississauga, Ontario, L4Z 1V9. Paul Millar and Michael Slattery are listed as the directors of Skymark. Michael Slattery and Ryan Bruce Slattery are listed as the directors of Merk.

12. Skymark was founded in 2011 and is in the business of providing construction and equipment financing to third party consumers (each, a “**Consumer Borrower**” and collectively, the “**Consumer Borrowers**”), for both residential and commercial renovations and improvements, although Skymark has also provided loans to certain other borrowers as described below. Skymark primarily finances home renovations, water systems, HVAC systems and smart home improvements. Each loan made by Skymark to a Consumer Borrower (each, a “**Consumer Loan**” and collectively, the “**Consumer Loans**”) is generally secured by a Notice of Security Interest registered by Skymark on title against the real property on which the financed equipment is located.
13. The Bridging Receiver does not have any information regarding the business carried on by Merk (if any) or whether Merk has meaningful assets or employees.

The Loan Agreement

14. Pursuant to the Loan Agreement, the Lender made available to Skymark five credit facilities in the aggregate principal amount of \$35,170,000 (collectively, the “**Loans**”).
15. As at November 30, 2022, the total amount owing by Skymark to the Lender under the Loans is \$47,378,007.95.

Separate Loan to Skymark in 2017

16. In addition to the Loans, a separate loan in the aggregate principal amount of \$21,000,000 (the “**Additional Loan**”) was advanced by the Lender to Skymark pursuant to a term sheet dated July 7, 2017 (the “**Additional Loan Agreement**”).
17. The purpose of the Additional Loan was to fund Skymark’s loan (the “**Skymark Borrower C Loan**”) to a third-party borrower (“**Borrower C**”) for the purpose of financing the acquisition of certain assets by Borrower C and to support the general working capital needs of Borrower C.

18. As at November 30, 2022, the total amount outstanding under the Additional Loan is \$23,306,000.
19. Based on discussions in August 2021 with Paul Millar, the principal of Skymark, the Applicant understands that it is Skymark's position that the Skymark Borrower C Loan and the security granted to Skymark by Borrower C were intended to have been assigned by Skymark to the Lender, with the result that Borrower C would be directly liable to the Lender and Skymark would no longer be indebted to the Lender under the Additional Loan.
20. The books and records of Bridging do not include any written agreement that gives effect to this arrangement.
21. The Bridging Receiver continues to investigate the terms of the Additional Loan and Bridging's recourse against Skymark and Borrower C, including to determine if the Lender's recourse against Skymark with respect to the Additional Loan is limited to Skymark's interest in the Skymark Borrower C Loan. The Bridging Receiver, on behalf of the Lender, seeks to recover payment of the Additional Loan from Skymark without limiting the Lender's right to recover payment of the Skymark Borrower C Loan directly from Borrower C.

Security Held by Bridging for Loans

22. As security for all of the present and future indebtedness and obligations of Skymark to the Lender, including under the Loan Agreement, Skymark granted to the Lender security over all of its present and future personal property as well as all of its present and future real property located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9 pursuant to the Skymark GSA.
23. As security for all of the present and future indebtedness and obligations of Merk to the Lender, including under the Merk Guarantee, Merk granted to the Lender security over all of its present and future personal property as well as all of its present and future real property located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9 pursuant to the Merk GSA.

24. BFI, on behalf of the Lender, has made a registration against each of the Respondents pursuant to the PPSA.
25. Each of the Skymark GSA and the Merk GSA provides that the Lender may appoint a receiver upon the occurrence of a default under the Skymark GSA or the Merk GSA respectively, or upon the occurrence of an “Event of Default” under the Loan Agreement.
26. Skymark also granted to the Lender security over all of its present and future personal property pursuant to a separate general security agreement in connection with the Additional Loan Agreement.

Demands for Payment

27. Pursuant to the Loan Agreement, each of the Loans has been made available to Skymark for a specified term subject to the right of the Lender to demand payment of the subject Loan. The term of each Loan has expired.
28. By letters dated October 17, 2022, the Bridging Receiver demanded payment from Skymark, Merk, and each of the Personal Guarantors of their respective obligations under the Loan Agreement and/or the Guarantees, as applicable (collectively, the “**Demand Letters**”).
29. The Demand Letters addressed to the Respondents also enclosed Notices of Intention to Enforce Security pursuant to section 244 of the BIA (“**BIA Notices**”). The BIA Notices were subsequently withdrawn to accommodate ongoing discussions between the Bridging Receiver and Skymark regarding the Loans. After these discussions, fresh BIA Notices were re-issued to each of the Respondents by letters dated November 4, 2022.
30. By letter dated December 22, 2022, the Bridging Receiver also demanded payment from Skymark of the amounts owing under the Additional Loan.
31. Despite the demands for payment, none of the Respondents or the Personal Guarantors has satisfied their respective obligations under the Loan Agreement and/or the Guarantees, as applicable.

Opening of New BMO Accounts

32. The “Cash Management Systems” provision of the Loan Agreement provides that all monies received by Skymark shall be received and held in trust for the Lender and shall be kept separate and apart from Skymark’s own funds and immediately deposited into one or more of the blocked accounts with The Bank of Nova Scotia and The Toronto-Dominion Bank (the “**Blocked Accounts**”). The Loan Agreement further provides that the Lender is irrevocably and unconditionally authorized and directed by Skymark to sweep any such Blocked Accounts at any time and from time to time and apply any credit balances in such Blocked Accounts to repay any obligations of Skymark pursuant to the Loan Agreement in such order as the Lender sees fit, with any remaining funds then being deposited to Skymark’s disbursement accounts (the “**Blocked Accounts Arrangement**”).
33. As set out in detail in the Sinclair Affidavit, the Applicant became aware in May 2022 that, in anticipation of a potential refinancing with another lender, Skymark opened new bank accounts at Bank of Montreal (the “**BMO Accounts**”). The Applicant did not consent to this departure from the requirements of the Blocked Accounts Arrangement.
34. By email dated May 30, 2022, the Bridging Receiver demanded that all amounts deposited into the BMO Accounts be immediately returned to the Blocked Accounts and reiterated that regular operating cash inflows must be deposited into the Blocked Accounts in accordance with the Loan Agreement. Following the delivery of this email, Skymark transferred to the Blocked Accounts the remaining credit balances in the BMO Accounts, which represented substantially all of the amounts deposited into the BMO Accounts.
35. However, based on account statements for the BMO Accounts provided by Skymark to the Bridging Receiver for the months of July to September 2022, it appears that Skymark continued to receive periodic deposits to the BMO Accounts by way of electronic fund transfers. Following a request by the Bridging Receiver that funds deposited to the BMO Accounts be transferred to the Blocked Accounts, the Bridging Receiver was advised in October 2022 that all such funds had been transferred to another Skymark account to pay bills.

36. The Bridging Receiver has not received account statements for the BMO Accounts for the period after October 2022 and is not aware if the BMO Accounts remain open.

Deterioration in Security Position

(i) Manual Prepayments

37. As described above, the value of the collateral subject to the Lender's security has steadily declined since the appointment of the Bridging Receiver. This decline in value has not been matched by a reduction in the amount outstanding under the Loans, with the result that the Lender's security position has deteriorated.
38. With the exception of one week in May 2021, a Borrowing Base Shortfall has existed under the Core Facility since the appointment of the Bridging Receiver. As a result, the Core Facility has not been available to Skymark to fund its working capital needs, including funding of new Consumer Loans and operational expenses. The Applicant understands that various operating expenses and other disbursements have instead been paid utilizing, among other sources of funds, proceeds of certain payments from Skymark's Consumer Borrowers.
39. The Bridging Receiver understands that approximately 40% of the regularly scheduled payments under the Consumer Loans are collected as an additional charge on the regularly scheduled bill issued to a Consumer Borrower by its energy provider. The energy provider then periodically transfers such funds to the Blocked Accounts (the "**Energy Provider Payments**"). Certain Consumer Borrowers make regularly scheduled payments under their Consumer Loans directly to the Blocked Accounts via pre-authorized debit from their accounts (the "**Direct Consumer Payments**" and together with the Energy Provider Payments, the "**Ordinary Payments**").
40. The Ordinary Payments deposited to the Blocked Accounts are automatically swept into one of the Lender's own accounts on a daily basis and applied to reduce the outstanding balance of the Core Facility.

41. Skymark also periodically receives prepayments of Consumer Loans prior to the maturity date of the applicable Consumer Loan directly from the applicable Consumer Borrower (the “**Manual Prepayments**”). In accordance with the Loan Agreement, all Ordinary Payments and any Manual Prepayments are required to be deposited to the Blocked Accounts.
42. In August 2022, the Applicant became aware that only Ordinary Payments were being deposited into the Blocked Accounts, and any Manual Prepayments were being collected by Skymark and deposited into other Skymark bank accounts. Although Skymark has indicated that the Lender agreed to this arrangement prior to the appointment of the Bridging Receiver, the Bridging Receiver is unaware of any written agreement between Bridging and Skymark that permits Skymark to utilize the Manual Prepayments for its own corporate purposes rather than to reduce the Core Facility as required by the Loan Agreement.
43. The collection of Manual Prepayments by Skymark reduces the amount of the Borrowing Base since it results in a reduction of the amount of Eligible Consumer Loans upon which that calculation is based, whereas the issuance of new Consumer Loans increases the Borrowing Base because it increases the amount of Eligible Consumer Loans. If the reduction in the Borrowing Base resulting from the collection of Manual Prepayments is greater than the increase to the Borrowing Base through the issuance of new Consumer Loans, then the Core Facility must be repaid by the amount of such differential, failing which the Borrowing Base Shortfall will increase.
44. Based on reporting provided by Skymark to the Bridging Receiver, Manual Prepayments in the total amount of \$2.7 million received by Skymark from May 2021 to August 2022 were not deposited to the Blocked Accounts. It appears that the failure by Skymark to apply certain of the Manual Prepayments in reduction of the Core Facility has resulted in the Borrowing Base Shortfall increasing from approximately \$35,000 in May 2021 to approximately \$1,840,000 in September 2022.

(ii) Failure to Provide Reporting

45. The Bridging Receiver has not received an updated Borrowing Base Report since September 27, 2022. The most recent reporting provided by Skymark was received on October 7, 2022 and included bank statements for the Blocked Accounts for the month ending September 30, 2022.
46. The Lender continues to receive Ordinary Payments through the daily sweeps to the Blocked Accounts. The amount of these Ordinary Payments is generally consistent with amounts previously swept on a monthly basis throughout 2022 (during the same period in which the Manual Prepayments were not being deposited into the Blocked Accounts). However, based on the outdated reporting in the possession of the Bridging Receiver, the Bridging Receiver is unable to determine if Skymark is continuing to deposit Manual Prepayments to accounts other than the Blocked Accounts.
47. Given that Skymark's financial reporting to the Lender is outdated, the Bridging Receiver currently has little to no insight into the activities and financial position of Skymark, including as it relates to the Manual Prepayments.

(iii) Unremitted HST

48. On or about October 11, 2022, the Bridging Receiver inquired with Skymark regarding the status of its accounts with CRA. As a result of this inquiry, on October 11, 2022, the Bridging Receiver became aware that Skymark had collected but failed to remit HST since approximately February 2022. Based on reporting provided by Skymark on October 12, 2022, the unremitted HST up to August 31, 2022 was in excess of \$214,000, resulting in a liability that further erodes the Lender's security position.

Necessity for Appointment of Receiver

49. In light of the foregoing concerns, the Bridging Receiver is no longer prepared to accept or support a continuation of the *status quo*, which may further erode the value of the Lender's security to the detriment of Bridging's investors and other stakeholders.

50. The appointment of the proposed Receiver over the Property of the Respondents is necessary and appropriate in the circumstances as a result of the following:
- (a) notwithstanding the issuance of the Demands and BIA Notices, the Respondents have failed to satisfy their respective obligations under the Loan Agreement and/or the applicable Guarantee;
 - (b) the statutory 10-day notice period under the BIA Notices has expired;
 - (c) as a result of the defaults described herein, the Bridging Receiver, on behalf of the Lender, is contractually entitled under the Skymark GSA and the Merk GSA to seek the appointment of a receiver over the Respondents;
 - (d) the books and records of Bridging and the financial reporting provided to Bridging to date indicate that Skymark is unable to satisfy its indebtedness to the Lender and other creditors and is insolvent;
 - (e) based on the reporting provided by Skymark to the Bridging Receiver, the Lender's security position is deteriorating as a result of, among other things, the failure by Skymark to apply Manual Prepayments in reduction of the Loans and through the failure to pay HST when due;
 - (f) given the defaults that have occurred under the Loan Agreement, in particular the deterioration in the Lender's security position, the Bridging Receiver has lost confidence in Skymark's management; and
 - (g) the Bridging Receiver does not support any continuation of the *status quo*, which may further erode the Lender's security position and jeopardize recoveries for Bridging's investors and other stakeholders.
51. A&M has consented to act as Receiver, subject to obtaining a Receivership Order on terms that are satisfactory to A&M.
52. Rules 2.03, 3.02, 14.05(2), 16, 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg 194, Section 243(1) of the BIA and Section 101 of the CJA.
53. Such other grounds as counsel may advise and this Honourable Court may deem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this application:

1. the Sinclair Affidavit;
2. the consent of A&M to act as Receiver; and
3. such further and other evidence as counsel may advise and this Honourable Court may permit.

December 30, 2022

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
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Toronto, ON M5K 1K7

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Lawyers for the Applicant

<i>IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended</i>		<i>IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended</i>	
PRICEWATERHOUSECOOPERS INC. (solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds)	- and -	SKYMARK FINANCE CORPORATION and MERK INVESTMENTS LTD.	Respondents
Applicant		Court File No. CV-22-	-00CL
		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) Proceedings commenced at Toronto, Ontario	
		NOTICE OF APPLICATION	
		Thornton Grout Finnigan LLP TD West Tower, Toronto-Dominion Centre 3200 –100 Wellington Street West Toronto, ON M5K 1K7 John L. Finnigan (LSO# 24040L) Email: jfinnigan@tgf.ca Grant B. Moffat (LSO# 32380L) Email: gmoffat@tgf.ca Adam Driedger (LSO# 77296F) Email: adriedger@tgf.ca Tel: 416-304-1616 Lawyers for the Applicant	

SERVICE LIST
(as at December 28, 2022)

TO:	<p>THORNTON GROUT FINNIGAN LLP TD West Tower, Toronto-Dominion Centre 100 Wellington Street West, Suite 3200 Toronto, ON M5K 1K7 Fax: (416) 304-1313</p> <p>John L. Finnigan Email: jfinnigan@tgf.ca Tel: (416) 304-0558</p> <p>Grant B. Moffat Email: gmoffat@tgf.ca Tel: (416) 304-0599</p> <p>Adam Driedger Email: adriedger@tgf.ca Tel: (416) 304-1152</p> <p>Lawyers for the Applicant, PricewaterhouseCoopers Inc. in its capacity as Court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds</p>
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AND TO:	<p>PRICEWATERHOUSECOOPERS INC. 18 York Street, Suite 2600 Toronto, ON M5J 0B2</p> <p>Michael McTaggart Email: michael.mctaggart@pwc.com Tel: (416) 687-8924</p> <p>Christine Sinclair Email: christine.l.sinclair@pwc.com Tel: (416) 687-8938</p> <p>Tyler Ray Email: tyler.ray@pwc.com Tel: (416) 687-8200</p> <p>Court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds</p>
AND TO:	<p>LAX O’SULLIVAN LISUS GOTTLIEB LLP Suite 2750, 145 King Street West Toronto, ON M5H 1J8 Fax: (416) 598-3730</p> <p>Matthew Gottlieb Email: mgottlieb@lolg.ca Tel: (416) 644-5353</p> <p>Shaun Laubman Email: slaubman@lolg.ca Tel: (416) 360-8481</p> <p>Lawyers for the Respondents</p>

AND TO:	<p>FASKEN MARTINEAU DUMOULIN LLP Bay Adelaide Centre 333 Bay Street, Suite 2400 Toronto, ON M5H 2T6</p> <p>Dylan Chochla Email: dchochla@fasken.com Tel: (416) 862-4204</p> <p>Lawyers for Alvarez & Marsal Canada Inc. as proposed Receiver</p>
AND TO:	<p>ALVAREZ & MARSAL CANADA INC. Royal Bank Plaza, South Tower 200 Bay Street, Suite 2900 Toronto, ON M5J 2J1 Fax: (416) 847-5201</p> <p>Greg Karpel Email: gkarpel@alvarezandmarsal.com Tel: (416) 847-5170</p> <p>Proposed Receiver</p>
AND TO:	<p>ENBRIDGE GAS INC. and ENBRIDGE GAS INC. O/A UNION GAS 500 Consumers Road North York, ON M2J 1P8</p> <p>Armanda Pinho <i>Associate General Counsel</i> Email: armanda.pinho@enbridge.com</p> <p>Scott Wallace <i>Senior Legal Counsel</i> Email: scott.wallace@enbridge.com</p> <p>PPSA registrant with respect to Skymark Finance Corporation</p>

AND TO:	<p>BNY TRUST COMPANY OF CANADA 320 Bay Street, P.O. Box 1 Toronto, ON M5H 4A6</p> <p>Eleonore Morris <i>Managing Counsel, Vice-President</i> Email: eleonore.morris@bnymellon.com</p> <p>PPSA registrant with respect to Skymark Finance Corporation</p>
AND TO:	<p>ENLIGHTENED FUNDING CORPORATION 1100 Burloak Drive, Suite 702 Burlington, ON L7L 6B2</p> <p>Eamonn Glavey <i>Managing Partner</i> Email: eg@enlightenedcapital.net Email: info@enlightenedcapital.net</p> <p>PPSA registrant with respect to Skymark Finance Corporation</p>
AND TO:	<p>AUTO ONE GROUP LIMITED 150 Oakdale Road Toronto, ON M3N 1V9</p> <p>Email: hello@autoone.ca</p> <p>PPSA registrant with respect to Merk Investments Ltd.</p>
AND TO:	<p>DEPARTMENT OF JUSTICE (CANADA) Ontario Regional Office 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1</p> <p>Diane Winters Email: diane.winters@justice.gc.ca</p>

AND TO:	<p>HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE INSOLVENCY UNIT</p> <p>6th Floor, 33 King Street West Oshawa, ON L1H 8H5</p> <p>Leslie Crawford Tel: (905) 433-5657 Email: leslie.crawford@ontario.ca</p> <p>Insolvency Unit Email: insolvency.unit@ontario.ca</p>
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EMAIL SERVICE LIST
(as at December 28, 2022)

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TAB 2

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

*IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended,
and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3,
as amended*

B E T W E E N:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as court-appointed receiver and manager of
Bridging Finance Inc. and certain related entities and investment funds)

Applicant

- and -

SKYMARK FINANCE CORPORATION and MERK INVESTMENTS LTD.

Respondents

**AFFIDAVIT OF CHRISTINE SINCLAIR
(Sworn December 30, 2022)**

I, Christine Sinclair of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY AS FOLLOWS:

I. INTRODUCTION

1. I am a Vice-President at PricewaterhouseCoopers Inc. (“**PwC**”), the court-appointed receiver and manager (in such capacity, the “**Bridging Receiver**”) of Bridging Finance Inc. (“**BFI**”) and certain related entities and investment funds (collectively, “**Bridging**”). As such, I have knowledge of the matters deposed to herein, save where I have obtained information from others. Where I have obtained information from others, I have stated the source of that information and believe it to be true.

2. This affidavit is sworn in support of an application by the Bridging Receiver pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, for an order (the “**Receivership Order**”), substantially in the form located at Tab 3 of the Bridging Receiver’s Application Record, among other things:
 - (a) appointing Alvarez & Marsal Canada Inc. (“**A&M**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the current and future assets, undertakings, and properties (collectively, the “**Property**”) of each of Skymark Finance Corporation (“**Skymark**”) and Merk Investments Ltd. (“**Merk**” and together with Skymark, the “**Respondents**”); and
 - (b) such further and other relief as this Honourable Court may deem just.
3. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

II. OVERVIEW & APPOINTMENT OF THE BRIDGING RECEIVER

4. By orders of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated April 30, 2021 (the “**Appointment Order**”), May 3, 2021 (the “**Additional Appointment Order**”), and May 14, 2021 (the “**Continuation Order**” and collectively, the “**Appointment Orders**”), PwC was appointed as the Bridging Receiver. Copies of the Appointment Orders are attached hereto as **Exhibit “A”**.
5. PwC was appointed as the Bridging Receiver pursuant to section 129 of the *Securities Act* R.S.O. 1990, c. S. 5, as amended (the “**Securities Act**”) upon application by the Ontario

Securities Commission (the “**Commission**”) as a result of the Commission’s ongoing investigation into Bridging and certain related individuals and entities.

6. BFI is a privately held investment management firm that, prior to the appointment of the Bridging Receiver, offered alternative investment options to investors through the various Bridging investment funds managed by BFI (the “**Bridging Funds**”). Bridging would, among other things, raise capital from investors through the Bridging Funds for the purpose of making private debt loans to third-party borrowers. BFI would typically act as agent on behalf of the applicable Bridging Fund(s) that advanced funds to third-party borrowers.
7. The Bridging Receiver was appointed to protect the interests of, and maximize value for, Bridging’s investors and the other stakeholders. There are approximately 26,000 Bridging investors (both retail and institutional) primarily located across Canada. As detailed in the Bridging Receiver’s various reports to the Court, Bridging’s investors are facing significant losses on their investments in the Bridging Funds.
8. One group of loans in Bridging’s portfolio are the Loans (as defined and described below) that were made available to Skymark by BFI on behalf of certain Bridging Funds. Skymark is in default under the Loans, in respect of which \$47,378,007.95 remains outstanding as of November 30, 2022. Merk is in default of its obligations under its secured guarantee of the Loans, which is limited to the principal amount of \$1,000,000.
9. As detailed below, the Bridging Receiver has issued demand letters and Notices of Intention to Enforce Security pursuant to section 244 of the BIA to each of the Respondents. The statutory 10-day notice period has expired, and the Respondents have

failed to fully repay their respective obligations. As a result of the maturity of the Loans and the corresponding defaults, the Bridging Receiver has a contractual right to seek the appointment of the proposed Receiver pursuant to the applicable security documents.

10. The value of the collateral subject to the security held by the Lender (as defined below) has steadily declined since the appointment of the Bridging Receiver. This decline in value has not been matched by a reduction in the amount outstanding under the Loans, with the result that the security position of the Lender (as hereinafter defined) has deteriorated. The Bridging Receiver is concerned that the Lender's security position will further deteriorate unless steps are taken to ensure that the proceeds of all collateral subject to the Lender's security are applied in reduction of the Loans.
11. The Bridging Receiver brings this application to appoint A&M as Receiver of the Respondents to protect the value of Bridging's security and in an effort to minimize any losses that Bridging's stakeholders will suffer in respect of the Loans. The Bridging Receiver seeks the appointment of an independent court officer as Receiver of the Respondents to preserve the value of the Property and to implement an orderly sale or liquidation of such Property, or restructuring of the Respondents, for the benefit of all stakeholders under the supervision of this Court.

III. RESPONDENTS' CORPORATE INFORMATION & BUSINESS

12. Skymark is a corporation incorporated under the laws of Ontario. The registered head office of Skymark is located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario,

L4Z 1V9. Paul Millar and Michael Slattery are listed as the directors of Skymark. A copy of the corporate profile report in respect of Skymark is attached as **Exhibit “B”**.

13. According to the books and records of Bridging, Skymark was founded in 2011. Skymark’s business is focused on providing construction and equipment financing to third party consumers (each, a “**Consumer Borrower**” and collectively, the “**Consumer Borrowers**”), for both residential and commercial renovations and improvements, although Skymark has also provided loans to certain other third party borrowers as described below. Skymark primarily finances home renovations, water systems, HVAC systems and smart home improvements. Each loan made by Skymark to a Consumer Borrower (each, a “**Consumer Loan**” and collectively, the “**Consumer Loans**”) is generally secured by a Notice of Security Interest registered by Skymark on title against the real property on which the financed equipment is located.
14. Merk is a corporation incorporated under the laws of Ontario. The registered head office of Merk is located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9. Michael Slattery and Ryan Slattery are listed as the directors of Merk. A copy of the corporate profile report in respect of Merk is attached as **Exhibit “C”**.
15. The Bridging Receiver does not have any information regarding the business carried on by Merk (if any) or whether Merk has meaningful assets or employees.

IV. THE LOAN AGREEMENT

16. Pursuant to a term sheet dated April 28, 2015 (as amended, the “**Loan Agreement**”)¹ among Skymark and BFI as agent on behalf of certain Bridging investment funds (collectively, the “**Lender**”), the Lender made available to Skymark five credit facilities in the aggregate principal amount of \$35,170,000 (collectively, the “**Loans**”). A copy of the Loan Agreement (including each amendment thereto) is attached hereto as **Exhibit “D”**.
17. According to the books and records of Bridging, as at November 30, 2022, the total amount owing by Skymark to the Lender under the Loan Agreement is \$47,378,007.95 (the “**Indebtedness**”).
18. The following table provides an overview of each Loan. The identities of certain of Skymark’s third-party borrowers are not disclosed herein and have been redacted in the Loan Agreement given the duty of confidentiality that Skymark owes to such borrowers. The identities of certain other borrowers have been disclosed where such borrowers are already subject to a separate insolvency proceeding and therefore the lending relationship between Skymark and such borrowers is no longer confidential.

Loan	Purpose	Principal Amount	Interest	Outstanding Balance as at November 30, 2022
Core Facility	To fund Skymark’s core business of providing Consumer Loans to Consumer Borrowers,	\$18,500,000	Prime + 7.55%	\$17,359,609.55

¹ As amended by: (i) a first amending agreement dated October 29, 2015; (ii) a second amending agreement dated December 14, 2015; (iii) a third amending agreement dated May 17, 2016; (iv) a fourth amending agreement dated October 4, 2016; (v) a “4B” amending agreement dated May 15, 2017; (vi) a fifth amending agreement dated July 21, 2017; (vii) a sixth amending agreement dated March 1, 2018; (viii) a seventh amending agreement dated November 22, 2018; (ix) an eighth amending agreement dated February 1, 2019; and (x) a ninth amending agreement dated April 30, 2020.

	and for Skymark's working capital and other corporate purposes.			
Confidential Borrower "A" Subfacility	To finance Skymark's loan to Confidential Borrower "A" for the purposes of acquiring certain real property and equipment.	\$720,000	Prime + 7.55%	\$551,486.15
Confidential Borrower "B" Subfacility	To finance Skymark's loan to Confidential Borrower "B" to acquire real property in the United Kingdom.	\$1,350,000	Prime + 7.55%	\$1,169,302.80
MVCI Subfacility A	To finance Skymark's loan to Mahal Venture Capital Inc. to fund the construction of a flour mill in Ontario.	\$9,600,000	Prime + 11.3%	\$18,498,953.73
GM Foods Subfacility B	To finance Skymark's loan to Golden Miles Food Corporation to fund the acquisition of equipment related to the flour mill referred to above.	\$5,000,000	Prime + 11.3%	\$9,798,655.72
TOTAL	-	\$35,170,000	-	\$47,378,007.95

19. The Core Facility is a revolving credit facility. The Loan Agreement provides that advances under the Core Facility may be utilized by Skymark: (i) to make "**Eligible Consumer Loans**" (being eligible Consumer Loans that meet the lending criteria under the Loan Agreement); (ii) for working capital of Skymark; and (iii) for other general corporate purposes of Skymark as permitted by the Lender from time to time.
20. The maximum credit available under the Core Facility is limited to the lesser of the Maximum Facility Amount of \$18,500,000 and the amount (the "**Borrowing Base**") determined through a borrowing base calculation that is based on 80% of the principal

amount outstanding under Eligible Consumer Loans less certain deductions for prior claims and other reserves. Pursuant to the Loan Agreement, Skymark is required to provide to the Lender a biweekly calculation of the Borrowing Base (the “**Borrowing Base Report**”).

21. Based on the reporting delivered by Skymark to the Bridging Receiver, with the exception of one week in May 2021, the amount outstanding under the Core Facility has exceeded the amount of the Borrowing Base (the “**Borrowing Base Shortfall**”) since the date of appointment of the Bridging Receiver. Accordingly, no advances have been made to Skymark under the Core Facility following the appointment of the Bridging Receiver.
22. The Loans other than the Core Facility are non-revolving and were fully advanced by the Lender to Skymark prior to the appointment of the Bridging Receiver.
23. With regard to MVCI Subfacility A and GM Foods Subfacility B, it is notable that both Mahal Venture Capital Inc. (“**MVCI**”) and Golden Miles Food Corporation (“**GM Foods**”) are insolvent and were placed into receivership by order of Justice McEwan dated October 1, 2021. The court records in that receivership proceeding indicate that Skymark’s loans to MVCI and GM Foods (the “**Skymark MVCI/GM Foods Loans**”) (which were almost entirely funded by the Lender using the proceeds from MVCI Subfacility A and GM Foods Subfacility B) are materially undercollateralized and therefore Skymark is facing a significant shortfall on those loans. Skymark is obligated to fully repay MVCI Subfacility A and GM Foods Subfacility B even if Skymark suffers a shortfall under the Skymark MVCI/GM Foods Loans.

24. Interest accrues on the Indebtedness at the rates for each Loan specified above. Other than the Core Facility (in respect of which payments are received through daily sweeps of the Blocked Accounts, as defined and described below), the most recent cash payments by Skymark to the Lender with respect to the Loans are as follows: (i) \$17,599.70 on September 19, 2022 with respect to the Confidential Borrower “A” Subfacility; (ii) \$26,387.31 on August 25, 2022 with respect to the Confidential Borrower “B” Subfacility; (iii) \$75,042.08 on April 9, 2021 with respect to MVCI Subfacility A; and (iv) \$42,925.42 on April 9, 2021 with respect to GM Foods Subfacility B.

V. SEPARATE LOAN TO SKYMARK IN 2017

25. In addition to the Loans, a separate loan in the aggregate principal amount of \$21,000,000 (the “**Additional Loan**”) was advanced by the Lender to Skymark pursuant to a term sheet dated July 7, 2017 (the “**Additional Loan Agreement**”). A copy of the Additional Loan Agreement is attached as **Exhibit “E”**.
26. The purpose of the Additional Loan was to fund Skymark’s loan (the “**Skymark Borrower C Loan**”) to a borrower (“**Borrower C**”) for the purposes of financing the acquisition of certain assets by Borrower C and to support the general working capital needs of Borrower C. Based on a search of the records maintained by the Ontario Ministry of Public and Business Service Delivery, Paul Millar is the sole director and officer of Borrower C (as well as a director and officer of Skymark).

27. Interest accrues on the Additional Loan at 10% per annum. According to the books and records of Bridging, as at November 30, 2022, the total amount outstanding under the Additional Loan is approximately \$23,306,371.30.
28. The Additional Loan Agreement provides that advances to Skymark are available in part pursuant to two revolving credit facilities cumulatively limited to the lesser of \$7,000,000 and the amount of a borrowing base calculation determined with reference to, among other things, certain accounts receivable and inventory of Borrower C and certain reserves and prior claims (the “**Additional Loan Revolving Availability**”).
29. Based on the books and records of Bridging, it appears that, prior to the appointment of the Bridging Receiver, the Lender made periodic advances directly to Borrower C based on the amount of the Additional Loan Revolving Availability and Borrower C made regular payments to the Lender in reduction of the amount outstanding under the Additional Loan. The Bridging Receiver has continued to advance funds to Borrower C on behalf of the Lender and Borrower C has continued to make payments directly to the Lender, in each case consistent with the practice in place at the time the Bridging Receiver was appointed.
30. Based on my discussions in August 2021 with Paul Millar, the principal of Skymark, I understand that it is Skymark’s position that the Skymark Borrower C Loan and the security granted to Skymark by Borrower C was intended to have been assigned by Skymark to the Lender, with the result that Borrower C would be directly liable to the Lender and Skymark would no longer be indebted to the Lender under the Additional Loan. The books and records of Bridging do not include any written agreement that gives effect to this arrangement.

31. The Bridging Receiver has also reviewed an email exchange between Michael Slattery (the principal of Merk and a director and officer of Skymark) and Graham Marr of Bridging dated July 6, 2017 in which Mr. Slattery requests confirmation that Bridging's recourse against Skymark with respect to the Additional Loan will be limited to Skymark's recovery from the assets of Borrower C. Mr. Marr appears to confirm that Bridging's recourse under its "GSA" will be limited as requested by Mr. Slattery. However, neither the Additional Loan Agreement, nor the Additional Skymark GSA (as defined below), each of which are dated July 7, 2017 (the day after this email exchange), reflects that Bridging's recourse against Skymark is limited in any way. A copy of this email exchange is attached as **Exhibit "F"**.
32. The Bridging Receiver continues to investigate the terms of the Additional Loan and Bridging's recourse against Skymark and Borrower C. The Bridging Receiver, on behalf of the Lender, seeks to recover payment of the Additional Loan from Skymark without limiting the Lender's right to recover payment of the Skymark Borrower C Loan directly from Borrower C.

VI. SECURITY HELD BY BRIDGING

33. As security for all of the present and future indebtedness and obligations of Skymark to the Lender, including under the Loan Agreement, Skymark granted to the Lender security over all of its present and future personal property as well as all of its present and future real property located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9, pursuant to a general security agreement dated April 28, 2015 (the "**Skymark GSA**"). A copy of the Skymark GSA is attached as **Exhibit "G"**.

34. BFI made a registration on behalf of the Lender against Skymark pursuant to the PPSA on April 27, 2015 against all classes of collateral other than consumer goods. A copy of a certified PPSA search in respect of Skymark current as of December 27, 2022 is attached hereto as **Exhibit “H”**. The certified PPSA search indicates that there are no registrations against Skymark that are prior in time to the foregoing registration made by BFI on behalf of the Lender.
35. As security for all of the present and future indebtedness and obligations of Skymark to the Lender, including under the Additional Loan Agreement, Skymark granted to the Lender security over all of its present and future personal property pursuant to a separate general security agreement dated July 7, 2017 (the “**Additional Skymark GSA**”). A copy of the Additional Skymark GSA is attached as **Exhibit “I”**.
36. BFI made a registration on behalf of the Lender against Skymark pursuant to the PPSA on June 22, 2017 against all classes of collateral other than consumer goods.
37. Sections 10 and 11 of the Skymark GSA provide that a receiver may be appointed by the Lender upon the occurrence of a default under the Skymark GSA or an “Event of Default” under the Loan Agreement. Section 8 of the Additional Skymark GSA provides that a receiver may be appointed by the Lender upon the occurrence of an “Event of Default” under the Additional Loan Agreement or the issuance of a demand for payment by the Agent.
38. Merk guaranteed the obligations of Skymark under the Loan Agreement up to \$1,000,000 plus interest pursuant to a guarantee agreement dated as of July 2015 (the “**Merk**

Guarantee”). The obligations of Merk under the Merk Guarantee are payable on demand by the Lender. The Merk Guarantee provides that the Lender is entitled to make demand on Merk upon the occurrence of an Event of Default under the Loan Agreement or if Skymark fails to pay or perform any of its obligations under the Loan Agreement when due. The Merk Guarantee further provides that the Lender is not obligated to exhaust its recourse against Skymark or any other party or take any other action before being entitled to payment from Merk under the Merk Guarantee.

39. As security for all of the present and future obligations of Merk to the Lender, including under the Merk Guarantee, Merk granted to the Lender security over all of its present and future personal property as well as all of its present and future real property located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9 pursuant to a general security agreement dated as of July 2015 (the “**Merk GSA**”). Copies of the Merk Guarantee and the Merk GSA are attached hereto as **Exhibit “J”**.
40. BFI made a registration on behalf of the Lender against Merk pursuant to the PPSA on October 15, 2015 against all classes of collateral other than consumer goods. A copy of a certified PPSA search in respect of Merk current as of December 27, 2022 is attached hereto as **Exhibit “K”**. The certified PPSA search indicates that there are no registrations against Merk that are prior in time to the foregoing registration made by BFI on behalf of the Lender.
41. Sections 10 and 11 of the Merk GSA provide that a receiver may be appointed by the Lender upon the occurrence of a default under the Merk GSA or an “Event of Default” under the Loan Agreement.

42. In addition, Paul Millar and Michael Slattery (together, the “**Personal Guarantors**”) personally guaranteed the obligations of Skymark to the Lender, in each case up to a maximum of \$1,500,000 plus interest, pursuant to separate guarantee agreements dated April 28, 2015 (together, the “**Personal Guarantees**” and together with the Merk Guarantee, the “**Guarantees**”). The obligations of the Personal Guarantors under the Personal Guarantees are payable on demand by the Lender. The Personal Guarantees provide that the Lender is entitled to make demand on each of the Personal Guarantors upon the occurrence of an Event of Default or if Skymark fails to pay or perform any of its obligations under the Loan Agreement. The Personal Guarantees further provide that the Lender is not obligated to exhaust its recourse against Skymark or any other party or take any other action before being entitled to payment from each of the Personal Guarantors.

VII. SKYMARK’S EFFORTS TO OBTAIN REFINANCING

43. Commencing in late 2021 and continuing into June of 2022, Skymark and the Bridging Receiver engaged in discussions regarding the terms of a possible refinancing of certain of the Loans. However, the Bridging Receiver did not agree to forbear from enforcing the Lender’s rights and remedies arising from the defaults that had occurred under the Loan Agreement in order to accommodate these ongoing discussions.
44. Notwithstanding its efforts to obtain alternate financing, Skymark was unable to obtain financing sufficient to fully repay the Loans. Skymark proposed various refinancing terms to the Bridging Receiver, but none of these terms were acceptable to the Bridging Receiver.

VIII. DEMANDS FOR PAYMENT & BIA NOTICES

45. Pursuant to the Loan Agreement, each of the Loans has been made available to Skymark for a specified term subject to the right of the Lender to demand payment of the subject Loan. The term of each Loan has expired.
46. By letters dated October 17, 2022, the Bridging Receiver demanded payment from Skymark, Merk, and each of the Personal Guarantors of their respective obligations under the Loan Agreement and/or the Guarantees, as applicable (collectively, the “**Demand Letters**”).
47. The Demand Letters addressed to the Respondents also enclosed Notices of Intention to Enforce Security pursuant to section 244 of the BIA (“**BIA Notices**”). The BIA Notices were subsequently withdrawn to accommodate ongoing discussions between the Bridging Receiver and Skymark regarding the Loans. After these discussions, fresh BIA Notices were re-issued to each of the Respondents by letters dated November 4, 2022. Copies of the Demand Letters and BIA Notices issued on November 4, 2022 are attached hereto as **Exhibit “L”**.
48. By email dated November 18, 2022, the Bridging Receiver confirmed with the Respondents that the 10-day notice periods under the BIA Notices had expired and there was no agreement by the Bridging Receiver to extend or toll the running of those notice periods. A copy of the November 18, 2022 email is attached as **Exhibit “M”**.

49. Despite the demands for payment, none of the Respondents or the Personal Guarantors have satisfied their respective obligations under the Loan Agreement and/or the Guarantees, as applicable.
50. By letter dated December 5, 2022, the Bridging Receiver noted that the Loans had not been repaid notwithstanding the issuance of the Demand Letters and the BIA Notices and advised the Respondents that it would be bringing this application. A copy of this letter is attached as **Exhibit “N”**.
51. By letter dated December 22, 2022, the Bridging Receiver demanded payment from Skymark of its obligations under the Additional Loan Agreement (the “**Additional Demand Letter**”). A copy of this letter is attached as **Exhibit “O”**.

IX. OPENING OF NEW ACCOUNTS CONTRARY TO LOAN AGREEMENT

52. The “Cash Management Systems” provision of the Loan Agreement provides that all monies received by Skymark shall be received and held in trust for the Lender and shall be kept separate and apart from Skymark’s own funds and immediately deposited into one or more of the blocked accounts with The Bank of Nova Scotia and The Toronto-Dominion Bank (the “**Blocked Accounts**”). The Loan Agreement further provides that the Lender is irrevocably and unconditionally authorized and directed by Skymark to sweep any such Blocked Accounts at any time and from time to time and apply any credit balances in such Blocked Accounts to repay any obligations of Skymark pursuant to the Loan Agreement in such order as the Lender sees fit, with any remaining funds then being deposited to Skymark’s disbursement accounts (the “**Blocked Accounts Arrangement**”).

53. As part of its regular reporting to the Lender, Skymark is required to deliver account statements for the Blocked Accounts on a monthly basis. Following its appointment, the Bridging Receiver initiated a process to review these account statements, as well as the amount of cash receipts swept from the Blocked Accounts into Bridging bank accounts. As part of this review, the Bridging Receiver compared the monthly receipts from the Blocked Accounts with receipts from prior months.
54. On May 25, 2022, upon review of the monthly bank statements for the Blocked Accounts, the Bridging Receiver identified that the cash sweeps that had been received from the Blocked Accounts in April 2022 were materially lower than previous months. The Bridging Receiver inquired with Skymark immediately and was advised by Paul Millar by email dated May 30, 2022 that, in anticipation of a potential refinancing with another lender, Skymark opened new bank accounts at Bank of Montreal (the “**BMO Accounts**”). This email is attached hereto as **Exhibit “P”**. The Bridging Receiver did not consent to this departure from the requirements of the Blocked Accounts Arrangement.
55. By email dated May 30, 2022, the Bridging Receiver demanded that all amounts deposited into the BMO Accounts be immediately returned to the Blocked Accounts and reiterated that regular operating cash inflows must be deposited into the Blocked Accounts in accordance with the Loan Agreement. This email is attached hereto as **Exhibit “Q”**. Following the delivery of this email, Skymark transferred to the Blocked Accounts the remaining credit balances in the BMO Accounts.
56. However, based on account statements for the BMO Accounts provided by Skymark to the Bridging Receiver for the months of July to September 2022, it appears that Skymark

continued to receive periodic deposits to the BMO Accounts by way of electronic fund transfers. Following a request by the Bridging Receiver that funds deposited to the BMO Accounts be transferred to the Blocked Accounts, I was advised by email dated October 12, 2022 from Oksana Kovalova, a representative of Skymark, that all such funds had been transferred to another Skymark account to pay bills. A copy of my email exchange with Ms. Kovalova is attached as **Exhibit “R”**.

57. The Bridging Receiver has not received account statements for the BMO Accounts for the period after September 2022 and is not aware if the BMO Accounts remain open.

X. DETERIORATION IN LENDER’S SECURITY POSITION

58. The monthly reporting provided by Skymark to the Lender pursuant to the Loan Agreement discloses that the amount of the Borrowing Base Shortfall has steadily increased since June 2021. The following table sets out the Borrowing Base calculation, summarized on a quarterly basis:

	June 2021	Sept 2021	Dec 2021	Mar 2022	June 2022	Sept 2022
Total Consumer Loans (Book Value)	23,729,490	23,178,923	22,401,940	21,831,151	21,356,821	20,606,808
Eligible Consumer Loans (Book Value)	21,781,559	21,225,570	20,525,065	19,845,572	19,454,859	18,743,716
Borrowing Base²	17,425,247	16,980,456	16,420,052	15,876,458	15,563,887	14,994,973
Less: Core Facility Outstanding	17,477,926	17,197,618	17,132,821	16,938,375	16,986,114	16,827,282
Borrowing Base Shortfall	-60,679	-225,161	-720,769	-1,069,918	-1,430,228	-1,840,309

² Total availability is based on 80% of the principal amount outstanding under Eligible Consumer Loans less certain deductions for prior claims and other reserves as set out in the Loan Agreement.

59. As noted above, with the exception of one week in May 2021, a Borrowing Base Shortfall has existed under the Core Facility since the appointment of the Bridging Receiver, meaning the Core Facility has not been available to Skymark to fund its working capital needs, including funding of new Consumer Loans and operational expenses. Based on the reporting delivered by Skymark to the Lender, it appears that various operating expenses and other disbursements have been paid utilizing, among other sources of funds, proceeds of certain payments from Skymark's Consumer Borrowers (the Manual Prepayments, as defined and described below).

The Manual Prepayments

60. Based on the reporting delivered by Skymark to the Lender, the Bridging Receiver understands that approximately 40% of the regularly scheduled payments under the Consumer Loans are collected as an additional charge on the regularly scheduled invoice issued to a Consumer Borrower by its energy provider. The energy provider then periodically transfers such funds to the Blocked Accounts (the "**Energy Provider Payments**"). Certain Consumer Borrowers make regularly scheduled payments under their Consumer Loans directly to the Blocked Accounts via pre-authorized debit from their accounts (the "**Direct Consumer Payments**" and together with the Energy Provider Payments, the "**Ordinary Payments**").
61. The Ordinary Payments deposited to the Blocked Accounts are automatically swept into one of the Lender's own accounts on a daily basis and applied to reduce the outstanding balance of the Core Facility. During the period from May 2021 to August 2022,

approximately \$2.9 million has been swept from the Blocked Accounts and applied in reduction of the amount outstanding under the Core Facility.

62. In addition, I understand that Skymark periodically receives prepayments of Consumer Loans prior to the maturity date of the applicable Consumer Loan directly from the applicable Consumer Borrower (the “**Manual Prepayments**”). In accordance with the Loan Agreement, all Ordinary Payments and any Manual Prepayments are required to be deposited to the Blocked Accounts.
63. The bi-weekly Borrowing Base Report includes the calculation of the Borrowing Base as at the last day of the immediately preceding reporting period, various detailed listings to support the calculation of the Borrowing Base and bank statements for the Blocked Accounts. One of the detailed listings includes a list of payments received from Consumer Borrowers during the relevant period. Based on discussions with Bridging employees, the Bridging Receiver understood that this list included all Ordinary Payments and Manual Prepayments received by Skymark and that all such payments had been deposited to the Blocked Accounts.
64. On August 26, 2022, during a discussion with Oksana Kovalova, a representative of Skymark, regarding the August 23, 2022 Borrowing Base Report, I was advised that only Ordinary Payments were being deposited into the Blocked Accounts, and any Manual Prepayments were being collected by Skymark and deposited into other Skymark bank accounts. The failure to deposit the Manual Prepayments to the Blocked Accounts is contrary to the Blocked Accounts Arrangement and a default under the Loan Agreement.

65. Upon first learning of the Manual Prepayments issue in August 2022, the Bridging Receiver requested clarification from Skymark's management, as well as a full accounting of all Manual Prepayments collected since April 2021. By email from Paul Millar (the principal of Skymark) dated August 26, 2022, Mr. Millar confirmed that the deposit of the Manual Prepayments to accounts other than the Blocked Accounts was "how the business has always worked" and had been agreed with Bridging. Mr. Millar also noted that Skymark had no source of funds other than payments from its borrowers to operate its business as there was no availability under the Core Facility.
66. The Bridging Receiver is unaware of any written agreement between Bridging and Skymark that permits Skymark to utilize the Manual Prepayments for its own corporate purposes rather than to reduce the Core Facility as required by the Loan Agreement. Based on Bridging's books and records, the Bridging Receiver is unable to determine the amount of Manual Prepayments that may have been deposited to accounts other than the Blocked Accounts prior to the appointment of the Bridging Receiver.
67. On September 8, 2022, Skymark provided to the Bridging Receiver an accounting of the Manual Prepayments in the total amount of \$2.7 million received by Skymark from May 2021 to August 2022 and not deposited to the Blocked Accounts (the "**September 8 Reporting**"). I understand, based on the September 8 Reporting, that these Manual Prepayments were not applied in reduction of the Core Facility.
68. The September 8 Reporting also provided a summary of "new deals" (i.e., any new Consumer Loans) that were funded by Skymark during the same time period. Pursuant to the September 8 Reporting, it appears that Skymark made new Consumer Loans in the

amount of approximately \$1.1 million between May 2021 to August 2022. The September 8 Reporting was the first time that Skymark reported to the Bridging Receiver the quantum of new Consumer Loans advanced by Skymark.

69. The collection of Manual Prepayments by Skymark reduces the amount of the Borrowing Base since it results in a reduction of the amount of Eligible Consumer Loans upon which that calculation is based, whereas the issuance of new Consumer Loans increases the Borrowing Base because it increases the amount of Eligible Consumer Loans. If the reduction in the Borrowing Base resulting from the collection of Manual Prepayments is greater than the increase to the Borrowing Base through the issuance of new Consumer Loans (in each case based on the 80% advance rate for Eligible Consumer Loans contained in the Borrowing Base calculation), then the Core Facility must be repaid by the amount of such differential, failing which the Borrowing Base Shortfall will increase.
70. The Bridging Receiver has not validated the existence or completeness of the Manual Prepayments or the new Consumer Loans and is relying solely on the reporting provided by Skymark. Further, based on the detailed review of various reports received, the Bridging Receiver is unable to reconcile the cumulative payments reported in each Borrowing Base Report, the payments reported as received in the Blocked Accounts and the payments detailed in the September 8 Reporting.
71. However, as noted above, it appears that the failure by Skymark to apply certain of the Manual Prepayments in reduction of the Core Facility has resulted in the Borrowing Base Shortfall increasing from approximately \$60,680 in June 2021 to approximately \$1,840,000 in September 2022.

72. By letter dated October 7, 2022, counsel for the Bridging Receiver communicated to Skymark's former counsel that the Bridging Receiver requires that all payments (including any Manual Prepayments) received by Skymark be deposited directly into and remain in the Blocked Accounts. A copy of this letter is attached as **Exhibit "S"**.

Failure to Provide Reporting

73. The Bridging Receiver has not received an updated Borrowing Base Report since September 27, 2022. The most recent reporting provided by Skymark was received on October 7, 2022 and included bank statements for the Blocked Accounts for the month ending September 30, 2022.
74. The Lender continues to receive Ordinary Payments through the daily sweeps to the Blocked Accounts. The amount of these Ordinary Payments is generally consistent with amounts previously swept on a monthly basis throughout 2022 (during the same period when, based on the September 8 Reporting, the Bridging Receiver understands that the Manual Prepayments were not being deposited into the Blocked Accounts). However, based on the outdated reporting in the possession of the Bridging Receiver, the Bridging Receiver is unable to determine if Skymark is continuing to deposit Manual Prepayments to accounts other than the Blocked Accounts.
75. Given that Skymark's financial reporting to the Lender is outdated, the Bridging Receiver currently has little to no insight into the activities and financial position of Skymark, including as it relates to the Manual Prepayments.

Unremitted HST

76. On or about October 11, 2022, the Bridging Receiver inquired with Skymark regarding the status of its accounts with the Canada Revenue Agency (“CRA”). As a result of this inquiry, on October 11, 2022, the Bridging Receiver became aware that Skymark had collected but failed to remit Harmonized Sales Tax (“HST”) since approximately February 2022. Based on reporting provided by Skymark on October 12, 2022, the unremitted HST up to August 31, 2022 was in excess of \$214,000, resulting in a liability that further erodes the Lender’s security position.

XI. NECESSITY FOR THE APPOINTMENT OF A RECEIVER

77. The appointment of the proposed Receiver over the Property of the Respondents is necessary and appropriate in the circumstances as a result of the following:
- (a) notwithstanding the issuance of the Demands and BIA Notices, the Respondents have failed to satisfy their respective obligations under the Loan Agreement and/or the applicable Guarantee;
 - (b) the statutory 10-day notice period under the BIA Notices has expired;
 - (c) as a result of the defaults described herein, the Bridging Receiver, on behalf of the Lender, is contractually entitled under the Skymark GSA and the Merk GSA to seek the appointment of a receiver over the Respondents;
 - (d) the books and records of Bridging and the financial reporting provided to Bridging to date indicate that Skymark is unable to satisfy its indebtedness to the Lender and other creditors and is insolvent;


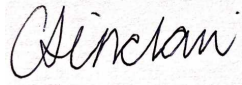
- (e) based on the reporting provided by Skymark to the Bridging Receiver, the Lender's security position is deteriorating as a result of, among other things, the failure by Skymark to apply Manual Prepayments in reduction of the Loans and through the failure to pay HST when due;
- (f) given the defaults that have occurred under the Loan Agreement, in particular the deterioration in the Lender's security position, the Bridging Receiver has lost confidence in Skymark's management; and
- (g) the Bridging Receiver does not support any continuation of the *status quo*, which may further erode the Lender's security position and jeopardize recoveries for Bridging's investors and other stakeholders.

78. A&M has consented to act as Receiver, subject to obtaining a Receivership Order on terms that are satisfactory to A&M. A copy of A&M's consent to act as Receiver is attached as **Exhibit "T"**.

XII. CONCLUSION

79. For the reasons set out above, the Bridging Receiver seeks the appointment of A&M as Receiver of the Respondents to protect the interests of the Lender and the other stakeholders of the Respondents on the terms of the draft Receivership Order located at Tab 3 of its Application Record.

80. This affidavit is sworn in support of the within application and for no other or improper purpose.

<p>SWORN remotely via videoconference, by Christine Sinclair stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 30th day of December 2022, in accordance with <i>O. Reg 431/20, Administering Oath or Declaration Remotely</i>.</p> 			
<p>Commissioner for Taking Affidavits</p> <p>Adam Driedger (LSO# 77296F)</p>			<p>Christine Sinclair</p>

This is Exhibit "A" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'AD', is written over a horizontal line.

A Commissioner for taking affidavits

ADAM DRIEDGER

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	FRIDAY, THE 30th
)	
JUSTICE HAINEY)	DAY OF APRIL, 2021

ONTARIO SECURITIES COMMISSION

Applicant

- and -

BRIDGING FINANCE INC., BRIDGING INCOME FUND LP, BRIDGING MID-MARKET DEBT FUND LP, SB FUND GP INC., BRIDGING FINANCE GP INC., BRIDGING INCOME RSP FUND, BRIDGING MID-MARKET DEBT RSP FUND, BRIDGING PRIVATE DEBT INSTITUTIONAL LP, BRIDGING REAL ESTATE LENDING FUND LP, BRIDGING SMA 1 LP, BRIDGING INFRASTRUCTURE FUND LP, BRIDGING MJ GP INC., BRIDGING INDIGENOUS IMPACT FUND, and BRIDGING FERN ALTERNATIVE CREDIT FUND

Respondents

Application under Section 129 of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended

**ORDER
(Appointment of Receiver)**

THIS APPLICATION made without notice by the Ontario Securities Commission (the “**Applicant**” or the “**Commission**”) for an Order pursuant to section 129 of the *Securities Act* (Ontario), R.S.O. 1990, c. S. 5, as amended (the “**Securities Act**”), appointing PricewaterhouseCoopers Inc. (“**PwC**”) as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties of each of Bridging Finance Inc., Bridging Income Fund LP, Bridging Mid-Market Debt Fund LP, SB Fund GP Inc., Bridging Finance GP Inc., Bridging Income RSP Fund, Bridging Mid-Market Debt RSP Fund, Bridging Private Debt Institutional LP, Bridging Real Estate Lending Fund LP, Bridging

SMA 1 LP, Bridging Infrastructure Fund LP, Bridging MJ GP Inc., Bridging Indigenous Impact Fund, and Bridging Fern Alternative Credit Fund (collectively, the “**Respondents**”), was heard this day by Zoom videoconference due to the COVID-19 pandemic.

ON READING the affidavit of Daniel Tourangeau sworn April 29, 2021 and the Exhibits thereto (the “**Tourangeau Affidavit**”), the first supplemental affidavit of Daniel Tourangeau sworn April 30, 2021 and the Exhibits thereto, and the affidavit of Sandy McMurrich sworn April 29, 2021 and the Exhibits thereto, and on hearing the submissions of counsel for Applicant and on reading the consent of PwC to act as the Receiver,

APPOINTMENT OF RECEIVER

1. **THIS COURT ORDERS** that, pursuant to section 129 of the Securities Act, PwC is hereby appointed Receiver, without security, of all of the present and future assets, undertakings and properties of each of the Respondents, including all of the assets held in trust or required to be held in trust by or for each of the Respondents or by their lawyers, agents, or any other Person (as defined below), and all proceeds thereof (collectively, the “**Property**”). Without limiting the foregoing, “Property” shall include any present or future assets or funds held by Odyssey Trust Company as trustee for the benefit of Bridging Income RSP Fund, Bridging Mid-Market Debt RSP Fund, Bridging Indigenous Impact Fund, and Bridging Fern Alternative Credit Fund, and all proceeds thereof. In accordance with section 129(3) of the Securities Act, the period of the Receiver’s appointment shall not exceed 15 days from the date of this Order unless otherwise ordered by the Court.

RECEIVER’S POWERS

2. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Respondents and the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive, preserve, and protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of each of the Respondents, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the businesses, or cease to perform any contracts of each of the Respondents;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of each of the Respondents, or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to each of the Respondents and to exercise all remedies of each of the Respondents in collecting such monies, including, without limitation, to enforce any security held by each of the Respondents;
- (g) to settle, extend or compromise any indebtedness owing to each of the Respondents;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of each the Respondents, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to each

of the Respondents, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business as follows:

- (i) without the approval of this Court, any exchange-traded securities or fixed income non-exchange traded securities held by any of the Respondents;
- (ii) without the approval of this Court, any other Property of the Respondents in which consideration for the transaction does not exceed \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$2,000,000; and
- (iii) with the approval of this Court in respect of any transaction in respect of the Property in which the consideration for the transaction or the aggregate consideration for all such transactions exceeds \$250,000 and \$2,000,000, respectively;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (iv) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver considers advisable;
- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (n) to apply for any permits, licences, approvals or permissions as may be required by any governmental or regulatory authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of any of the Respondents;
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of any of the Respondents including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Respondents;
- (p) to exercise any shareholder, partnership, joint venture or other rights which each of the Respondents may have;
- (q) to examine under oath any person the Receiver reasonably considers to have knowledge of the affairs of the Respondents, including, without limitation, any present or former director, officer, employee, or other person registered or previously registered with the Commission or subject to or formerly subject to the jurisdiction of the Commission or any other regulatory body respecting or having jurisdiction over the Property and the affairs of any of the Respondents;
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (s) in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other

Persons (as defined below), including the Respondents, and without interference from any other Person.

3. **THIS COURT ORDERS** that the Receiver may engage Thornton Grout Finnigan LLP as its legal counsel, notwithstanding that Thornton Grout Finnigan LLP has had an advisory role with respect to the Commission in connection with this proceeding.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Respondents; (ii) all of their current and former directors, officers, employees, partners, unit holders, persons registered or previously registered or subject or formerly subject to the jurisdiction of the Commission or any other regulatory body, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall forthwith deliver all such Property to the Receiver upon the Receiver’s request.

5. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not required, to take possession and control of any monies, funds, deposit instruments, securities, or other Property held by or in the name of any of the Respondents, or by any third party for the benefit of any of the Respondents.

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Respondents, or the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities

relating thereto, provided, however, that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure, provided that, for greater certainty, law firm trust ledgers requested by the Receiver pursuant to this Order are not subject to solicitor-client privilege and shall be produced to the Receiver.

7. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

8. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords of the Respondents with notice of the Receiver's intention to remove any fixtures from any leased premises of the Respondents at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO ISSUANCE OR REDEMPTION OF UNITS

9. **THIS COURT ORDERS** that none of the Respondents shall: (i) issue any new units in any of the Respondents or any of the partnerships or investment funds controlled by any of the Respondents; or (ii) redeem any of the existing units in any of the Respondents or any of the partnerships or investment funds controlled by any of the Respondents.

NO PROCEEDINGS AGAINST THE RECEIVER

10. **THIS COURT ORDERS** that no proceeding or enforcement process in any court, tribunal, regulatory or administrative body (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

11. **THIS COURT ORDERS** that no Proceeding against or in respect of the Respondents or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Respondents or the Property are hereby stayed and suspended pending further Order of this Court, provided that nothing herein shall prevent the commencement or continuation of any investigation or proceedings in respect of the Respondents, or any of them, by or before any regulatory authority, including, without limitation, the Commission and its enforcement staff.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that all rights and remedies against the Respondents, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “**BIA**”), and further provided that nothing in this paragraph shall: (i) empower the Receiver or the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on; (ii) exempt the Receiver or the Respondents from compliance with statutory or regulatory provisions relating to health, safety or

the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

13. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Respondents without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

14. **THIS COURT ORDERS** that all Persons having oral or written agreements with any of the Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to any of the Respondents are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of any of the Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Respondents or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

15. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements

provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

16. **THIS COURT ORDERS** that all employees of the Respondents shall remain the employees of the Respondents until such time as the Receiver, on the Respondents' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act* (Canada).

PIPEDA

17. **THIS COURT ORDERS** that, pursuant to section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Respondents, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated,

might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

19. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act* (Canada). Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER’S ACCOUNTS

20. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. **THIS COURT ORDERS** that each of the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

22. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

26. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

INTERCOMPANY LENDING

27. **THIS COURT ORDERS** that the Receiver may cause any of the Respondents to make any payment to or on behalf of, or incur any obligation on behalf of, or discharge any obligation of, any of the other Respondents, or otherwise transfer value to, or for the benefit of, any of the other Respondents for the purpose of funding the Respondents' ongoing activities and the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures.

28. **THIS COURT ORDERS** that, to the extent any of the Respondents (in each case, an "Intercompany Lender") after the date of this Order makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, any other of the Respondents or otherwise transfers value to, or for the benefit of, any other of the Respondents (in each case, the "Borrowing Respondent"), such Intercompany Lender is hereby granted a charge (each, an "Intercompany Charge") on all of the Property of the Borrowing Respondent in the amount of such payment, obligation, or transfer of value. The Receiver shall take into account the amount of each Intercompany Charge granted by and to each Respondent to determine the net amount secured by each Intercompany Charge.

29. **THIS COURT ORDERS** that each Intercompany Charge shall rank subordinate to the Receiver's Charge and the Receiver's Borrowings Charge, but in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person in respect of the Property of the applicable Borrowing Respondent. For greater certainty, each Intercompany Charge shall rank *pari passu* with any other Intercompany Charge, as applicable.

PRIORITY OF CHARGES CREATED BY THIS ORDER

30. **THIS COURT ORDERS** that the priorities of the Receiver's Charge, the Receiver's Borrowings Charge, and the Intercompany Charges, as among them, shall be as follows:

- (a) First – Receiver’s Charge;
- (b) Second – Receiver’s Borrowings Charge; and
- (c) Third – Intercompany Charge.

SEALING

31. **THIS COURT ORDERS** that the Commission is authorized to redact any Personal Information (as defined below) contained in the Exhibits to the Tourangeau Affidavit (as so redacted, the “**Redacted Exhibits**”) and file with the Court the Tourangeau Affidavit with the Redacted Exhibits. “Personal Information” means information about an identifiable individual, including, but not limited to, the following: (i) social insurance number; (ii) driver’s license number; (iii) passport number; (iv) license plate number; (v) health plan number; (vi) date of birth; (vii) address (not including city or province); (viii) telephone number; and (ix) bank or trading account number (including a joint account). For greater certainty, “Personal Information” does not include an individual’s name or the title, contact information, or designation of an individual in a business, professional, or official capacity.

32. **THIS COURT ORDERS** that the Commission shall file with the Court the Tourangeau Affidavit without Exhibits pending filing of the Redacted Exhibits with the Court. The Commission shall file the Redacted Exhibits with the Court as soon as reasonably practicable.

33. **THIS COURT ORDERS** that the Commission is authorized to deliver the Tourangeau Affidavit containing the unredacted Exhibits to each of the following parties and its respective lawyers: the Respondents, the directors of the Respondent Bridging Finance Inc., the shareholders of the Respondent Bridging Finance Inc. and David Sharpe (each such party, a “**Recipient**”). Each Recipient shall keep the unredacted Exhibits to the Tourangeau Affidavit confidential and shall not disclose the unredacted Exhibits to the Tourangeau Affidavit to any other party without further order of the Court.

34. **THIS COURT ORDERS** that the unredacted Exhibits to the Tourangeau Affidavit shall be sealed, kept confidential, and shall not form part of the public record pending further Order of the Court.

SERVICE AND NOTICE

35. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (Ontario) (the “**Rules**”), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://www.pwc.com/ca/BFI>.

36. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding a notice with a link to the Case Website by email, ordinary mail, courier, personal delivery or facsimile transmission to the Respondents’ creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service or distribution by email, courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

37. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

38. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondents, or any of them.

39. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside of Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this

Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

40. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

41. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

42. **THIS COURT ORDERS** that the Receiver, its counsel and counsel for the Applicant may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the applicable Respondent's creditors or other interested parties and their advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

43. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.



SCHEDULE "A"
RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that PricewaterhouseCoopers Inc., the receiver and manager (in such capacities, the "**Receiver**") of the assets, undertakings and properties of each of Bridging Finance Inc., Bridging Income Fund LP, Bridging Mid-Market Debt Fund LP, SB Fund GP Inc., Bridging Finance GP Inc., Bridging Income RSP Fund, Bridging Mid-Market Debt RSP Fund, Bridging Private Debt Institutional LP, Bridging Real Estate Lending Fund LP, Bridging SMA 1 LP, Bridging Infrastructure Fund LP, Bridging MJ GP Inc., Bridging Indigenous Impact Fund, and Bridging Fern Alternative Credit Fund (collectively, the "**Respondents**") acquired for, or used in relation to a business carried on by the Respondents, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the [DAY] day of April, 2021 (the "**Appointment Order**") made in an action having Court file number ____-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Appointment Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Appointment Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Appointment Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Appointment Order (including the Receiver's Charge, as defined therein) and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

PricewaterhouseCoopers Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

Application under Section 129 of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended

ONTARIO SECURITIES COMMISSION

- and -

BRIDGING FINANCE INC. *et al*

Applicant

Respondents

Court File No. CV-21-00661458-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto, Ontario

ORDER
(Appointment of Receiver)

Ontario Securities Commission
20 Queen Street West
20th Floor
Toronto, ON
M5H 3S8

Carlo Rossi (LSO# 59054T)
Email: CROSSI@osc.gov.on.ca
Tel: 416.204.8987

Counsel for the Ontario Securities Commission

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	MONDAY, THE 3rd
)	
JUSTICE HAINEY)	DAY OF MAY, 2021

ONTARIO SECURITIES COMMISSION

Applicant

- and -

BRIDGING FINANCE INC., BRIDGING INCOME FUND LP, BRIDGING MID-MARKET DEBT FUND LP, SB FUND GP INC., BRIDGING FINANCE GP INC., BRIDGING INCOME RSP FUND, BRIDGING MID-MARKET DEBT RSP FUND, BRIDGING PRIVATE DEBT INSTITUTIONAL LP, BRIDGING REAL ESTATE LENDING FUND LP, BRIDGING SMA 1 LP, BRIDGING INFRASTRUCTURE FUND LP, BRIDGING MJ GP INC., BRIDGING INDIGENOUS IMPACT FUND, and BRIDGING FERN ALTERNATIVE CREDIT FUND

Respondents

IN THE MATTER OF AN APPLICATION UNDER SECTION 129 OF THE
SECURITIES ACT (ONTARIO), R.S.O. 1990, c. S. 5, AS AMENDED

ADDITIONAL APPOINTMENT ORDER
(Appointment of Receiver)

THIS MOTION made without notice by PricewaterhouseCoopers Inc. (“**PwC**”), in its capacity as receiver and manager of the Respondents, for an Order pursuant to section 101 of the *Courts of Justice Act* (Ontario), R.S.O. 1990, c. C. 43, among other things, appointing PwC as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties of each of Bridging SMA 2 LP, Bridging SMA 2 GP Inc. and

Bridging Private Debt Institutional RSP Fund (collectively, the “**Additional Bridging Entities**”), was heard this day by Zoom videoconference due to the COVID-19 pandemic.

ON READING the First Report of the Receiver dated May 3, 2021 (the “**First Report**”), and the appendices thereto, and on hearing the submissions of counsel for Receiver,

APPOINTMENT OF RECEIVER

1. **THIS COURT ORDERS** that, pursuant to section 101 of the *Courts of Justice Act* (Ontario), R.S.O. 1990, c. C. 43, PwC is hereby appointed Receiver, without security, of all of the present and future assets, undertakings, and properties of each of the Additional Bridging Entities, including all of the assets held in trust or required to be held in trust by or for each of the Additional Bridging Entities or by their lawyers, agents, or any other person or entity, and all proceeds thereof (collectively, the “**Property**”) all in accordance with the provisions of the Order (the “**Appointment Order**”) of the Honourable Justice Hainey of the Ontario Superior Court of Justice (Commercial List) dated April 30, 2021 in Court File No. CV-21-00661458-00CL (the “**Receivership Proceeding**”). Without limiting the foregoing, “Property” shall include any present or future assets or funds held by Odyssey Trust Company as trustee for the benefit of Bridging Private Debt Institutional RSP Fund and all proceeds thereof.

2. **THIS COURT ORDERS** that, in accordance with the Appointment Order, the period of the Receiver’s appointment in respect of the Property of the Additional Bridging Entities shall not exceed 15 days from the date of the Appointment Order unless otherwise ordered by the Court.

3. **THIS COURT ORDERS** that the definition of “Respondents” in the Appointment Order is hereby amended to include the Additional Bridging Entities.

4. **THIS COURT ORDERS** that the style of cause and the title of the Receivership Proceeding is hereby amended to include the Additional Bridging Entities, substantially in the form attached hereto as Schedule “A”.

GENERAL

5. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

6. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Additional Bridging Entities, or any of them.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside of Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

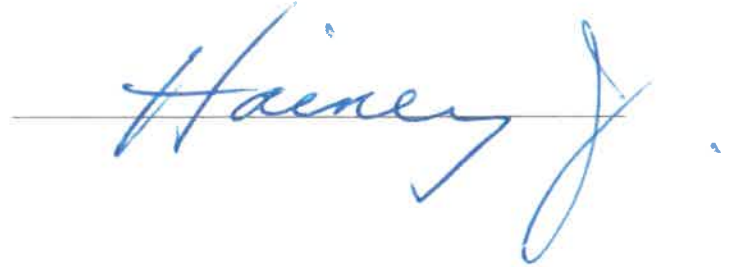
8. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

9. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

10. **THIS COURT ORDERS** that the Receiver, its counsel and counsel for the Applicant may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the applicable Respondent's creditors or other interested parties and their advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the

meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

11. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.



SCHEDULE "A"
AMENDED STYLE OF CAUSE AND TITLE OF PROCEEDING

Court File No. CV-21-00661458-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

BRIDGING FINANCE INC., BRIDGING INCOME FUND LP, BRIDGING MID-MARKET DEBT FUND LP, SB FUND GP INC., BRIDGING FINANCE GP INC., BRIDGING INCOME RSP FUND, BRIDGING MID-MARKET DEBT RSP FUND, BRIDGING PRIVATE DEBT INSTITUTIONAL LP, BRIDGING REAL ESTATE LENDING FUND LP, BRIDGING SMA 1 LP, BRIDGING INFRASTRUCTURE FUND LP, BRIDGING MJ GP INC., BRIDGING INDIGENOUS IMPACT FUND, BRIDGING FERN ALTERNATIVE CREDIT FUND, BRIDGING SMA 2 LP, BRIDGING SMA 2 GP INC., and BRIDGING PRIVATE DEBT INSTITUTIONAL RSP FUND

Respondents

**IN THE MATTER OF AN APPLICATION UNDER SECTION 129 OF THE
SECURITIES ACT (ONTARIO), R.S.O. 1990, c. S. 5, AS AMENDED**

IN THE MATTER OF AN APPLICATION UNDER SECTION 129 OF THE SECURITIES ACT (ONTARIO), R.S.O. 1990, c. S. 5, AS AMENDED

ONTARIO SECURITIES COMMISSION

- and -

BRIDGING FINANCE INC. *et al*

Applicant

Respondents

Court File No. CV-21-00661458-00CL

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

Proceedings commenced at Toronto, Ontario

ADDITIONAL APPOINTMENT ORDER

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Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for the Receiver

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	FRIDAY, THE 14th
)	
JUSTICE HAINEY)	DAY OF MAY, 2021

ONTARIO SECURITIES COMMISSION

Applicant

- and -

BRIDGING FINANCE INC., BRIDGING INCOME FUND LP, BRIDGING MID-MARKET DEBT FUND LP, SB FUND GP INC., BRIDGING FINANCE GP INC., BRIDGING INCOME RSP FUND, BRIDGING MID-MARKET DEBT RSP FUND, BRIDGING PRIVATE DEBT INSTITUTIONAL LP, BRIDGING REAL ESTATE LENDING FUND LP, BRIDGING SMA 1 LP, BRIDGING INFRASTRUCTURE FUND LP, BRIDGING MJ GP INC., BRIDGING INDIGENOUS IMPACT FUND, BRIDGING FERN ALTERNATIVE CREDIT FUND, BRIDGING SMA 2 LP, BRIDGING SMA 2 GP INC., and BRIDGING PRIVATE DEBT INSTITUTIONAL RSP FUND

Respondents

IN THE MATTER OF AN APPLICATION UNDER SECTION 129 OF THE
SECURITIES ACT (ONTARIO), R.S.O. 1990, c. S. 5, AS AMENDED

CONTINUATION ORDER

THIS MOTION made by the Ontario Securities Commission (the “**Applicant**” or the “**Commission**”) for an Order pursuant to section 129(4) of the *Securities Act* (Ontario), R.S.O. 1990, c. S. 5, as amended, continuing and extending the period of appointment of PricewaterhouseCoopers Inc. (“**PwC**”) as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings, and properties (collectively, the

“Property”) of each of Bridging Finance Inc., Bridging Income Fund LP, Bridging Mid-Market Debt Fund LP, SB Fund GP Inc., Bridging Finance GP Inc., Bridging Income RSP Fund, Bridging Mid-Market Debt RSP Fund, Bridging Private Debt Institutional LP, Bridging Real Estate Lending Fund LP, Bridging SMA 1 LP, Bridging Infrastructure Fund LP, Bridging MJ GP Inc., Bridging Indigenous Impact Fund, Bridging Fern Alternative Credit Fund, Bridging SMA 2 LP, Bridging SMA 2 GP Inc., and Bridging Private Debt Institutional RSP Fund (collectively, the **“Respondents”**), until further Order of the Court all in accordance with the provisions of the Order (the **“Appointment Order”**) of the Honourable Justice Hainey dated April 30, 2021, as amended by the Order (the **“Additional Appointment Order”**) of the Honourable Justice Hainey dated May 3, 2021, was heard this day by Zoom videoconference due to the COVID-19 pandemic.

ON READING the affidavit of Daniel Tourangeau sworn April 29, 2021 and the Exhibits thereto, the first supplemental affidavit of Daniel Tourangeau sworn April 30, 2021 and the Exhibits thereto, the affidavit of Sandy McMurrich sworn April 29, 2021 and the Exhibits thereto, the First Report of the Receiver dated May 3, 2021, and the Second Report of the Receiver dated May 12, 2021 (the **“Second Report”**) and on hearing the submissions of counsel for Applicant, counsel for the Receiver, and those other parties listed on the counsel slip, no one else appearing although duly served as appears from the Affidavit of Service of Nicole Armanious sworn May 13, 2021, and on reading the consent of PwC to act as the Receiver.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Applicant’s notice of motion and motion record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

CONTINUATION OF APPOINTMENT

2. **THIS COURT ORDERS** that, pursuant to section 129(4) of the *Securities Act* (Ontario), R.S.O. 1990, c. S. 5, as amended, the Receiver’s appointment in respect of the Property of the Respondents shall continue until further Order of the Court in accordance with the provisions of the Appointment Order, as amended by the Additional Appointment Order.

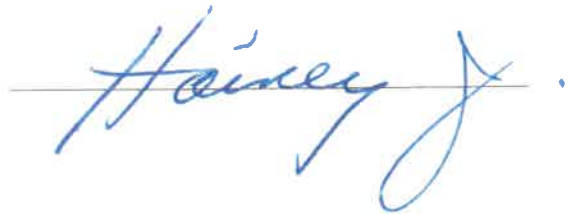
APPROVAL OF ACTIVITIES OF THE RECEIVER

3. **THIS COURT ORDERS** that the Second Report, and the activities, decisions, and conduct of the Receiver as set out therein, are hereby authorized and approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

GENERAL

4. **THIS COURT ORDERS** that the Receiver, its counsel and counsel for the Applicant may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the applicable Respondent's creditors or other interested parties and their advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

5. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.



Application under Section 129 of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended

ONTARIO SECURITIES COMMISSION

- and -

BRIDGING FINANCE INC. *et al*

Applicant

Respondents

Court File No. CV-21-00661458-00CL

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

Proceedings commenced at Toronto, Ontario

CONTINUATION ORDER

Ontario Securities Commission
20 Queen Street West – 20th Floor
Toronto, ON M5H 3S8

Carlo Rossi (LSO# 59054T)
Email: crossi@osc.gov.on.ca
Tel: 416.204.8987

Adam Gottfried (LSO# 67044K)
Email: agottfried@osc.gov.on.ca
Tel: 416.263.7680

Counsel for the Ontario Securities Commission

This is Exhibit "B" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'AD', is written over a horizontal line.

A Commissioner for taking affidavits

ADAM DRIEDGER



Ministry of Public and
Business Service Delivery

Profile Report

SKYMARK FINANCE CORPORATION as of December 28, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	SKYMARK FINANCE CORPORATION
Ontario Corporation Number (OCN)	2305145
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	November 30, 2011
Registered or Head Office Address	300 46 Village Centre Place, Mississauga, Ontario, Canada, L4Z 1V9

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

V. Quintanilla W.

Director/Registrar

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

Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	PAUL MILLAR
Address for Service	31 Baby Point Crescent, Toronto, Ontario, Canada, M6S 2B7
Resident Canadian	Yes
Date Began	April 27, 2015

Name	MICHAEL SLATTERY
Address for Service	46 Village Centre Place, 3rd Floor, Mississauga, Ontario, Canada, L4Z 1V9
Resident Canadian	Yes
Date Began	August 14, 2012

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V. Quintanilla W.

Director/Registrar

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Active Officer(s)

Name	PAUL MILLAR
Position	Secretary
Address for Service	31 Baby Point Crescent, Toronto, Ontario, Canada, M6S 2B7
Date Began	April 27, 2015

Name	PAUL MILLAR
Position	Treasurer
Address for Service	31 Baby Point Crescent, Toronto, Ontario, Canada, M6S 2B7
Date Began	April 27, 2015

Name	PAUL MILLAR
Position	President
Address for Service	31 Baby Point Crescent, Toronto, Ontario, Canada, M6S 2B7
Date Began	July 31, 2021

Name	MICHAEL SLATTERY
Position	Chief Executive Officer
Address for Service	46 Village Centre Place, 3rd Floor, Mississauga, Ontario, Canada, L4Z 1V9
Date Began	July 31, 2021

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V. Quintanilla W.

Director/Registrar

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Corporate Name History

Name

Effective Date

SKYMARK FINANCE CORPORATION

November 30, 2011

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Active Business Names

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

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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
CIA - Notice of Change PAF: Paul MILLAR	March 22, 2022
Annual Return - 2019 PAF: MICHAEL SLATTERY - DIRECTOR	February 21, 2021
Annual Return - 2018 PAF: MICHAEL SLATTERY - DIRECTOR	March 22, 2020
Annual Return - 2017 PAF: MICHAEL SLATTERY - OFFICER	November 11, 2018
Annual Return - 2016 PAF: MICHAEL SLATTERY - OFFICER	August 27, 2017
Annual Return - 2015 PAF: MICHAEL SLATTERY - OFFICER	August 27, 2017
Annual Return - 2014 PAF: MICHAEL SLATTERY - OFFICER	August 27, 2017
Annual Return - 2015 PAF: PETER JARVIS - OTHER	October 24, 2015
Annual Return - 2014 PAF: PETER JARVIS - OTHER	May 02, 2015
CIA - Notice of Change PAF: DAVID KORMAN - OTHER	April 30, 2015
BCA - Articles of Amendment	April 27, 2015
Annual Return - 2013 PAF: MICHAEL SLATTERY - OTHER	May 18, 2014
Annual Return - 2012 PAF: MICHAEL SLATTERY - OTHER	September 28, 2013

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V. Quintanilla W.

Director/Registrar

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CIA - Notice of Change PAF: RYAN SLATTERY - DIRECTOR	September 19, 2012
CIA - Notice of Change PAF: ANDREW THOMSON - DIRECTOR	April 13, 2012
CIA - Notice of Change PAF: ANDREW THOMSON - DIRECTOR	March 01, 2012
CIA - Notice of Change PAF: ANDREW THOMSON - DIRECTOR	January 18, 2012
BCA - Articles of Incorporation	November 30, 2011

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

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

V. Quintanilla W.

Director/Registrar

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This is Exhibit "C" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'AD', is positioned above a horizontal line.

A Commissioner for taking affidavits

ADAM DRIEDGER



Ministry of Public and
Business Service Delivery

Profile Report

MERK INVESTMENTS LTD. as of December 28, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	MERK INVESTMENTS LTD.
Ontario Corporation Number (OCN)	1546238
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	October 23, 2002
Registered or Head Office Address	46 Village Centre Place, Mississauga, Ontario, Canada, L4Z 1V9

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

V. Quintanilla W.

Director/Registrar

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Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name MICHAEL SLATTERY
Address for Service 1800 Pine Siskin Court, Mississauga, Ontario, Canada, L5L
2Y3
Resident Canadian Yes
Date Began October 23, 2002

Name RYAN BRUCE SLATTERY
Address for Service 1439 Lorne Park Road, Mississauga, Ontario, Canada, L5H
3B2
Resident Canadian Yes
Date Began October 23, 2005

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

V. Quintanilla W.

Director/Registrar

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Active Officer(s)

Name	MICHAEL SLATTERY
Position	President
Address for Service	1800 Pine Siskin Court, Mississauga, Ontario, Canada, L5L 2Y3
Date Began	October 23, 2002

Name	MICHAEL SLATTERY
Position	Secretary
Address for Service	1800 Pine Siskin Court, Mississauga, Ontario, Canada, L5L 2Y3
Date Began	October 23, 2002

Name	RYAN BRUCE SLATTERY
Position	Vice-President
Address for Service	1439 Lorne Park Road, Mississauga, Ontario, Canada, L5H 3B2
Date Began	October 23, 2005

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

V. Quintanilla W.

Director/Registrar

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Corporate Name History

Name

Effective Date

MERK INVESTMENTS LTD.

October 23, 2002

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V. Quintanilla W.

Director/Registrar

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Active Business Names

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

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

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
Annual Return - 2019 PAF: MICHAEL SLATTERY - DIRECTOR	April 18, 2021
Annual Return - 2018 PAF: MICHAEL SLATTERY - DIRECTOR	March 29, 2020
Annual Return - 2017 PAF: MICHAEL SLATTERY - DIRECTOR	November 11, 2018
Annual Return - 2016 PAF: MICHAEL SLATTERY - DIRECTOR	December 24, 2017
Annual Return - 2015 PAF: MICHAEL SLATTERY - DIRECTOR	December 03, 2017
Annual Return - 2014 PAF: MICHAEL SLATTERY - DIRECTOR	December 26, 2015
Annual Return - 2013 PAF: MICHAEL SLATTERY - DIRECTOR	June 28, 2014
Annual Return - 2012 PAF: MICHAEL SLATTERY - DIRECTOR	April 19, 2014
Annual Return - 2011 PAF: MICHAEL SLATTERY - DIRECTOR	April 27, 2013
Annual Return - 2010 PAF: MICHAEL SLATTERY - DIRECTOR	April 30, 2011
CIA - Notice of Change PAF: MICHAEL SLATTERY - DIRECTOR	June 30, 2009
Annual Return - 2006 PAF: MICHAEL SLATTERY - DIRECTOR	March 28, 2009
Annual Return - 2007 PAF: MICHAEL SLATTERY - DIRECTOR	March 28, 2009

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

V. Quintanilla W.

Director/Registrar

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Annual Return - 2004 PAF: MICHAEL SLATTERY - DIRECTOR	December 13, 2008
Annual Return - 2005 PAF: MICHAEL SLATTERY - DIRECTOR	December 13, 2008
CTA - Complied	November 01, 2008
CTA - Default Corporations Tax Act	August 31, 2008
Annual Return - 2003 PAF: MICHAEL SLATTERY - DIRECTOR	July 02, 2005
CIA - Initial Return PAF: MICHAEL SLATTERY - DIRECTOR	January 05, 2005
BCA - Articles of Incorporation	October 23, 2002

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.

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V. Quintanilla W.

Director/Registrar

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This is Exhibit "D" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'AD', is written over a horizontal line.

A Commissioner for taking affidavits

ADAM DRIEDGER

April 28, 2015

Skymark Finance Corporation
46 Village Center Place,
Mississauga, Ontario, L4Z 1V9
Canada

Attention: Paul Millar

Dear Mr. Millar

Re: Bridging Finance Inc. as agent for Sprott Bridging Income Fund LP (the “**Lender**”) credit facility in favour of Skymark Finance Corporation (the “**Borrower**”)

The Lender is pleased to offer the credit facility described in this letter agreement (this “**Agreement**”) subject to the terms and conditions set forth herein including, without limitation, the satisfactory completion of due diligence. Unless otherwise indicated, all amounts are expressed in Canadian currency. All capitalized terms not otherwise defined in the body of this Agreement shall have the meanings ascribed thereto in Schedule “A”.

Facility: Demand revolving loan of up to \$5,000,000 (the “**Maximum Facility Amount**”), based on the lending formula described herein (the “**Facility**”). Provided that Event of Default has not occurred and is not continuing, the Lender may, at the request of the Borrower, consider increasing the size of the Credit Facility based on the forecast and anticipated needs of the Borrower.

Purpose: The Borrower may only use the proceeds of the Facility: (i) to make Eligible Consumer Loans (ii) for working capital of the Borrower; and (iii) for other general corporate purposes of the Borrower as permitted by the Lender from time to time.

Term: The earlier of demand and twenty-four (24) months from the date of the initial advance of the Facility (the “**Term**”).

**Facility
Availability:**

The maximum amount that shall be available to be advanced under the Facility at any time and from time to time will, subject to the Maximum Facility Amount, be determined by the Lender once each week (or more frequently as determined by the Lender) and will be limited during such week (or other period as aforesaid) in accordance with the following formula (the “**Facility Availability**”):

:

- (i) 70% of outstanding principal amount of Eligible Consumer Loans; LESS
- (iii) the amount of the Facility (including principal, interest and costs) then outstanding, together with all amounts owing by the Borrower to the Lender under this Agreement or under any other agreement or instrument; LESS
- (iv) reserves, determined by the Lender in its sole discretion, in respect of actual and/or potential Priority Claims and/or Statutory Encumbrances liquidation expenses and any other reserves including eligibility reserves, determined from time to time by the Lender in its sole discretion.

On a Business Day every other week as determined by the Lender (the “**Report Day**”), prior to 1:00 p.m. ET, the Borrower will provide a report (a “**Borrowing Base Report**”) to the Lender (in such form as the Lender shall reasonably require) providing, as at the end of the preceding week, a listing of all of the Borrower's mortgage accounts

receivable, accounts payable, details of any then existing or potential Priority Claims, the amount of the requested Facility advance to be made hereunder, and any other information that may be reasonably required by the Lender. The Lender shall, upon receipt of such report, calculate the then existing Facility Availability and advise the Borrower accordingly.

**Facility
Advances:**

Facility advances to be made hereunder shall be the lesser of the Borrower's requested advance in its Borrowing Base Report and the then Facility Availability and will, less any amounts to be deducted therefrom as provided for hereunder, be deposited into the Borrower's Disbursement Accounts.

Provided that (i) no Event of Default has occurred and is continuing, (ii) no demand for repayment by the Lender has been made hereunder, and (iii) that at the time the advance is to be made the conditions contained in this Agreement have been satisfied, Facility advances to be made hereunder shall, provided that the request is contained in a Borrowing Base Report and that such Borrowing Base Report is received by the Lender prior to 1:00 p.m. on the Report Day, be made no later than the close of business on the next Business Day and for advance requests over \$1,000,000 the second Business Day. Advances shall be in a minimum amount of \$100,000.

**Interest Rate
and Fees:**

Interest: (i) Annual rate of Prime Rate plus 9.15% calculated on the amount of \$2,500,000 (the "**Core Facility Amount**") from and after the date of the first advance and regardless of any amount actually advanced, compounded monthly, not in advance and with no deemed reinvestment of monthly payments; plus, without duplication (ii) annual rate of 3.00% calculated on the remaining Maximum Facility Amount (which for greater certainty equal \$2,500,000) (the "**Remaining Facility Amount**") from and after the date of the first advance until any amount thereof is actually advanced, after which point, (A) the portion the Remaining Facility Amount advanced and outstanding from time to time shall bear interest compounded monthly at an annual rate of Prime Rate plus 9.15% calculated from and after the date of advance, and (B) the portion of the Remaining Facility Amount not advanced or outstanding shall bear interest at an annual rate of 3.00%. For greater certainty, the Remaining Facility Amount shall only be advanced after the Core Facility Amount is fully advanced. On the occurrence of an Event of Default, interest on the Core Facility Amount, and any of the Remaining Facility Amount that has been advanced and is outstanding shall be calculated at an annual interest rate of 21% per annum calculated and compounded as aforesaid.

Administration Fee: If the Borrower fails to pay any amounts on the day such amounts are due or if the Borrower fails to deliver the required reports set out herein, the Borrower shall pay to the Lender a late administration fee of \$100 per day until such date that such payment has been made or the Borrower has delivered such report, as the case may be.

Expenses: The Borrower shall pay all fees and expenses (including, but not limited to, all due diligence, consultant, field examination and appraisal costs, all fees and expenses for outside legal counsel and other outside professional advisors and, after an Event of Default and upon enforcement under any Security provided hereunder, the time spent by the Lender and its representatives in retaking, holding, repairing, processing and preparing for disposition and disposing of the Security calculated at the Lender's standard per diem rate in effect at such applicable time and established by the Lender in its sole discretion for internal personnel of the Lender) incurred by the Lender in connection with the preparation, registration and ongoing administration of this Agreement and the Security and with the enforcement of the Lender's rights and remedies under this Agreement or the Security, whether or not any amounts are advanced under this Agreement. If the Lender has paid any expense for which the Lender is entitled to

reimbursement from the Borrower and such expense has not been deducted from the advance of the Facility, such expense shall be payable by the Borrower within fifteen (15) days following demand for payment and in the event that the Borrower does not pay such amount to the Lender within the fifteen (15) day period, interest shall accrue on such expense at the highest rate payable by the Borrower under this Agreement. All such fees and expenses and interest thereon shall be secured by the Security whether or not any funds under the Facilities are advanced.

Payments:

Without limiting the right of the Lender to at any time demand repayment and subject to and in addition to the requirement for repayment in full pursuant to this Agreement, interest only at the aforesaid rate, calculated daily and compounded and payable monthly, not in advance, shall be due and payable by 1:00pm on the last Business Day of each and every month during the Term. Repayments of principal shall be in minimum amounts of \$100,000. The Borrower shall provide the Lender with post-dated cheques for interest payments owing for the Term.

Prepayment:

The Facility can be repaid in full at any time after the date that is twelve months from the date hereof, upon (60) days prior notice to the Lender. Any repayment prior to such twelve month date, on account of voluntary repayment by the Borrower or demand by the Lender, shall, in addition to the repayment of all outstanding obligations pursuant to this Agreement require payment to the Lender of an amount equal to one years interest on the Maximum Amount minus interest payments received by Lender to such date of repayment.

Deposit:

The Lender acknowledges that it has been paid a deposit of \$15,000 by the Borrower (the “**Deposit**”) will be dealt with as follows:

- (i) If the Facility closes, the full amount of the Deposit will be credited against the Facility;
- (ii) If the Borrower chooses not to proceed with the Facility for any reason, the full amount of the Deposit will be deemed a fully earned work fee by the Lender and non-refundable. In addition, the Borrower will also be responsible for any and all expenses including legal fees incurred by the Lender; and
- (iii) If the Facility does not close as a result of findings in due diligence, the Lender will refund the Deposit, less any incurred expenses including due diligence, field audits and legal costs.

Cash Management Systems:

- (i) The Borrower shall make all of its payments and disbursements only from its Disbursement Accounts.
- (ii) The Borrower and The Bank of Nova Scotia shall make the necessary arrangements to provide view only electronic access to the Disbursement Accounts to the Lender.
- (iii) Within 60 days for the date hereof, the Borrower shall enter into one or more Blocked Account Agreements with the Lender and Borrower’s bank, in form and substance satisfactory to the Lender, providing, amongst other things that the Lender may, at any time, send notice to the Borrower’s bank and thereafter have control of the blocked accounts set out therein, to the exclusion of the Borrower. The Lender agrees that is shall not provide such notice to the

Borrower's bank unless an Event of Default has occurred, the Lender has made demand under this Agreement or greater than 20% of the Consumer Loans include any amounts that are past due. After the establishment of such blocked account agreements, all monies (which term when used in this Agreement includes all cheques, bills of exchange and other payment instruments as well as cash) received by the Borrower, whether or not a notice and direction has been sent to the Borrower's account debtors, shall be received and held, and shall be deemed to be received and held, in trust for Lender and shall be, and shall be deemed to be, kept separate and apart from the Borrower's own funds and immediately deposited by it on a daily basis in one or more blocked accounts referenced in such blocked account agreements. Lender is hereby irrevocably and unconditionally authorised and directed by Borrower to sweep any such blocked accounts at any time and from time to time, and to set-off, compensate and apply any credit balances in such blocked accounts (after conversion into Canadian Dollars as determined necessary by Lender) to repay any obligations of the Borrower pursuant to this Agreement in such order as Lender sees fit, with any remaining funds then being deposited to the Borrower's disbursement accounts with Lender.

**Conditions
Precedent:**

The availability of the Facility at any time, and from time to time, is subject to and conditional upon the following conditions:

- (i) satisfactory completion of due diligence and continual due diligence, including the Lender's review of the operations of the Borrower and its business and financial plans;
- (ii) satisfactory completion of the Lender's legal due diligence;
- (iii) receipt of a duly executed copy of this Agreement and the Security, in form and substance satisfactory to the Lender and its legal counsel, registered as required to perfect and maintain the security created thereby and such certificates, authorizations, resolutions and legal opinions as the Lender may reasonably require including an opinion from the Borrower's counsel with respect status and the due authorization, execution, delivery, validity and enforceability of this Agreement and the Security;
- (iv) the discharge or subordination of any and all existing security against the Borrower as may be required by the Lender;
- (v) payment of all fees owing to the Lender hereunder;
- (vi) the Lender shall have view only access to the Disbursement Account;
- (vii) delivery of such financial and other information or documents relating to the Borrower as the Lender may require;
- (viii) the Lender being satisfied that there has been no material deterioration in the financial condition of the Borrower;
- (ix) no event shall have occurred and be continuing and no circumstance shall exist which has not been waived, which constitutes an Event of Default in respect of any material commitment, agreement or any other instrument to which the Borrower is a party or is otherwise bound, entitling any other party thereto to accelerate the maturity of amounts of principal owing thereunder or terminate any such material commitment, agreement or instrument which would have a material adverse effect upon the financial condition, property, assets, operation

or business of the Borrower; and

- (x) no event that constitutes, or with notice or loss of time or both, would constitute an Event of Default shall have occurred.

Each of the following is a condition precedent to any subsequent advance to be made hereunder:

- (i) all of the conditions contained in this Agreement shall have been satisfied and shall as at the time of the making of the subsequent advance in question continue to be satisfied;
- (ii) all of the representations and warranties of the Borrower herein are true and correct on and as of the date of such subsequent advance as though made on and as of such date other than those representations and warranties which relate to a specific date which shall continue to be true as of such date;
- (iii) no event or condition has occurred and is continuing, or would result from such advance, which constitutes or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or of the Security;
- (iv) such Borrowing will not violate any Applicable Law (which for the purposes of this Agreement means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction then in effect);
- (v) no Event of Default shall have occurred; and
- (vi) no other event shall have occurred that, in the Lender's sole discretion, acting reasonably, materially adversely affects or could materially adversely affect either: (i) the business, assets, liabilities, prospects, financial condition or operations of the Borrower, or (ii) the value of the Collateral.

The making of an advance hereunder without the fulfillment of one or more conditions set forth in this Agreement shall not constitute a waiver of any such condition, and the Lender reserves the right to require fulfillment of such condition in connection with any subsequent advance.

Nothing in this Agreement creates a legally binding obligation on the Lender to advance any amount under the Facility at any time unless the Lender is completely satisfied in its sole discretion that the Borrower is in compliance with every provision of this Agreement and that no fact exists or event has occurred which changes the manner in which the Lender previously evaluated the risks inherent in advancing amounts to the Borrower under the Facility, whether or not the Lender was or should have been aware of such facts or events differently at any time.

Covenants:

The Borrower covenants and agrees with the Lender, while this Agreement is in effect to:

- (i) pay all sums of money when due hereunder or arising therefrom;
- (ii) provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default,

a breach of any covenant or other term or condition of this Agreement or of any of the Security given in connection therewith;

- (iii) use the proceeds of the Facility for the purposes provided for herein;
- (iv) maintain Tangible Net Worth of greater than \$3,000,000 at all times, and as calculated at the end of each fiscal month;
- (v) continue to carry on business in the nature of or related to the business transacted by the Borrower prior to the date hereof (and not any other business) in the name and for the account of the Borrower;
- (vi) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
- (vii) ensure all assets secured by the Security are in existence and in the possession and control of the Borrower;
- (viii) not sell, transfer, convey, lease or otherwise dispose of any of its properties or assets including any Consumer Loans, or permit any reorganization or change of control of the Borrower, unless consented to by the Lender in advance
- (ix) not sell, transfer, convey, encumber or otherwise dispose of any of its capital stock or permit any reorganization or change of control of the Borrower;
- (x) not purchase or redeem its shares or otherwise reduce its capital;
- (xi) not repay any shareholders' loans, interest thereon or share capital;
- (xii) not make loans or advances (excluding for greater certainty, salaries and bonuses (which shall not be funded from the sale of assets) to shareholders, directors, officers or any other related or associated party;
- (xiii) permit the Lender or its representatives, at any time and from time to time with such frequency as the Lender, in its sole discretion, may require, during business hours, to visit and inspect the Borrower's premises, properties and assets (including, without limitation, weekly inventory testing) and to examine and obtain copies of the Borrower's records or other information and discuss the Borrower's affairs with the auditors, counsel and other professional advisors of the Borrower all at the reasonable expense of the Borrower;
- (xiv) forthwith notify the Lender of the particulars of any occurrence which constitutes an Event of Default hereunder or of any action, suit or proceeding, pending or to the Borrower's knowledge threatened against the Borrower;
- (xv) in a form and manner prescribed by the Lender (which may include by fax and/or e-mail), deliver to the Lender the following, signed by a senior officer of the Borrower:
 - (a) weekly a current portfolio report listing all Consumer Loans and all Eligible Consumer Loans, including information concerning the amount of such loans, the outstanding principal on such loan, status of payments on such loan, historical records of payment with respect to such loan, when such loan is currently in default or if in default on account of payment arrears, equity collateral supporting such loan, the amount in arrears and the number of days outstanding, and any other information as may be requested by the

Lender from time to time together with an electronic copy of the reports for all Consumer Loans closed during the preceding one week period;

- (b) monthly, by the 25th of each calendar month in respect of the preceding month, internally prepared financial statements for the preceding month and internally prepared financial statements for the year to date;
- (c) monthly bank statements for all bank accounts of the Borrower within 15 days of its month-end;
- (d) monthly, by the 10th of each calendar month in respect of the preceding month proof of payments, in a form satisfactory to the Lender, of Priority Claims;
- (e) annually, no later than 30 days prior to the end of the Borrower's financial year, financial and business projections for the following financial year;
- (f) annually, within 90 days of the Borrower's financial year end in respect of the preceding financial year, reviewed financial statements for the Borrower prepared in accordance with GAAP, provided that the Borrower shall have 6 months from the date hereof to provide reviewed financial statements for the most recently completed fiscal year; and

such additional financial information with respect to Borrower as and when requested by the Lender;

provided that in the event that the foregoing reporting does not meet the requirements of the Lender in its discretion, the Lender shall have the right to appoint a consultant of its choosing at the expense of the Borrower to assist with the reporting;

- (xvi) file all tax returns which the Borrower must file from time to time, to pay or make provision for payment of all taxes (including interest and penalties) and other potential preferred claims which are or will become due and payable and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
- (xvii) not grant, create, assume or suffer to exist any mortgage, charge, Lien, pledge, security interest, including a purchase money security interest, or other encumbrance affecting any of the Borrower's properties, assets or other rights except for Encumbrances in existence, known to and approved by the Lender as the date hereof or from time to time;
- (xviii) not grant a loan or make an investment in or provide financial assistance to a third party by way of a suretyship, guarantee or otherwise;
- (xix) not change its name, merge, amalgamate or otherwise enter into any other form of business combination with any other entity without the prior written consent of the Lender not to be used unreasonably withheld;
- (xx) keep the Borrower's assets fully insured against such perils and in such manner as would be customarily insured by companies carrying on a similar business or owning similar assets naming the Lender as first loss payee and to ensure all assets secured by the Security are in existence and in the possession and control of the Borrower;

- (xxi) comply with all the applicable laws and regulations; to advise the Lender promptly of any action, requests or violation notices received from any government or regulatory authority concerning the Borrower's operations; and to indemnify and hold the Lender harmless from all liability of loss as a result of any non-compliance with such laws and regulations.

Security and other Requirements:

As general and continuing security for the performance by the Borrower of all of its obligations, present and future, to the Lender, including, without limitation, the repayment of advances granted hereunder and the payment of interest, fees and any other amounts provided for hereunder and under the security documents, the Borrower undertakes to grant to the Lender and to maintain at all times the following security in form satisfactory to the Lender (the "**Security**"), in accordance with the forms in use by the Lender or as prepared by its solicitors:

- (i) a General Security Agreement, on the Lender's form signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- (ii) a postponement and subordination of all directors, officers, shareholders, non-arm's length creditors and related party loans, to include a postponement of the right to receive any payments of both principal and interest under such loans;
- (iii) A limited personal guarantee from each of Paul Millar and Michael Slattery in the amount of \$1,500,000 each;
- (iv) a landlord waiver and consent in a form satisfactory to the Lender, if reasonably requested by the Lender; and
- (v) such other security as may be required by the Lender.

Events of Default:

Without limiting any other rights of the Lender under this Agreement, including a right to accelerate and demand repayment on demand at any time at the sole and absolute discretion of the Lender, whether or not an Event of Default has occurred, if any one or more of the following events (an "**Event of Default**") has occurred and is continuing:

- (i) the Borrower fails to pay when due any principal, interest, fees or other amounts due under this Agreement or under any of the Security;
- (ii) the Borrower breaches any provision of this Agreement or any of the Security or other agreement with the Lender;
- (iii) the Borrower is in material default under the terms of any other contracts, agreements or otherwise with any other creditor;
- (iv) the Lender receives from any future guarantor a notice proposing to terminate, limit or otherwise modify such guarantor's liability under its guarantee of the Borrower's indebtedness to the Lender under the Facility or under a security document or under any other document in favour of the Lender;
- (v) the Borrower ceases or threatens to cease to carry on business in the ordinary course;
- (vi) any default or failure by the Borrower to make any payment of, wages or other monetary remuneration payable by the Borrower to its employees under the

terms of any contract of employment, oral or written, express or implied;

- (vii) any default or failure by the Borrower to keep current all amounts owing to parties other than the Lender who, in the Lender's sole opinion, have or could have a security interest, trust or deemed trust in the property, assets or undertaking of the Borrower which, in the Lender's sole opinion could rank in priority to the security held by the Lender upon the property, assets and undertaking of the Borrower;
- (viii) if any representation or warranty made or deemed to have been made herein or in any certificate (including any information certificate), statement, report, financial statement or the Security provided for herein or associated with this Agreement shall be false or inaccurate;
- (ix) if, in the reasonable opinion of the Lender, there is a Material Adverse Change in the financial condition, ownership or operation of any of the Borrower;
- (x) the Borrower is unable to pay its debts as such debts become due, or is adjudged or declared to be or admit to being bankrupt or insolvent;
- (xi) any judgment or award is made against the Borrower in excess of \$25,000 in respect of which there is not an appeal or proceeding for review being diligently pursued in good faith and in respect of which adequate provision has been made on the books of the Borrower; or
- (xii) any notice of intention is filed or any voluntary or involuntary case or proceeding filed or commenced for:
 - (a) the bankruptcy, liquidation, winding-up, dissolution or suspension of general operations of the Borrower;
 - (b) the composition, rescheduling, reorganization, arrangement or readjustment of, or other relief from, or stay of proceedings to enforce, some or all of the debts of the Borrower;
 - (c) the appointment of a trustee, receiver, receiver and manager, liquidator, administrator, custodian or other official for, all or any significant part of the assets of the Borrower;
 - (d) the possession, foreclosure, retention, sale or other disposition of, or other proceedings to enforce security over, all or any significant part of the assets of the Borrower; or
 - (e) any secured creditor, encumbrancer or lienor, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lienor, takes possession of or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or any significant part of the assets of the Borrower or gives notice of its intention to do any of the foregoing;

then, in such event, the Lender may, by written notice to the Borrower declare all monies outstanding under the Facility to be immediately due and payable. Upon receipt of such written notice, the Borrower shall immediately pay to the Lender all monies outstanding under the Facility and all other obligations of the Borrower to the Lender in connection with the Facility under this Agreement. The Lender may enforce its rights to realize upon

its security and retain an amount sufficient to secure the Lender for the Borrower's obligations to the Lender.

Nothing contained in this section shall limit any right of the Lender under this Agreement to demand payment of the Facility at any time.

**Evidence of
Indebtedness:**

The Lender shall maintain records evidencing the Facility. The Lender shall record the principal amount of the Facility, the payment of principal and interest on account of the Facility, and all other amounts becoming due to the Lender under this Agreement.

The Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender pursuant to this Agreement.

**Representations
and Warranties:**

The Borrower represents and warrants to the Lender (each of which representations and warranties shall survive the execution and delivery of this Agreement, and shall be deemed to be repeated, and shall remain true and completed at the time of each facility advance made pursuant to this Agreement) that:

- (i) the Borrower is a corporation duly incorporated, validly existing and duly registered or qualified to carry on business in the Province of Ontario or any other jurisdiction where they may carry on business;
- (ii) the Borrower does not have any Subsidiaries, where "**Subsidiaries**" means respect to any person: (i) any corporation of which an aggregate of more than 50% of the outstanding shares having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, Shares of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such person and/or one or more Subsidiaries of such person, or with respect to which any such person has the right to vote or designate the vote of 50% or more of such shares whether by proxy, agreement, operation of law or otherwise; and (ii) any partnership or limited liability company in which such person or one or more Subsidiaries of such person has an equity interest (whether in the form of voting or participation in profits or capital contribution) of more than 50% or of which any such person is a general partner or manager or may exercise the powers of a general partner or manager;
- (iii) the execution, delivery and performance by the Borrower of this Agreement has been duly authorized by all necessary actions and does not violate the constating documents or any Applicable Laws or agreements to which the Borrower is subject or by which it is bound;
- (iv) the Borrower's financial statements most recently provided to the Lender fairly present their financial positions as of the date thereof and its results of operations and cash flows for the fiscal period covered thereby, and since the date of such financial statements, there has occurred no Material Adverse Change in the Borrower's business or financial condition;
- (v) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against the Borrower or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any environmental law which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform

its obligations under this Agreement or any of the Security, and there are no circumstances of which the Borrower is aware which might give rise to any such proceeding which has not been fully disclosed to the Lender;

- (vi) the Borrower has good and marketable title to all of its properties and assets, free and clear of any Encumbrances, other than as may be provided for herein;
- (vii) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default, a breach of any covenant or other term or condition of this Agreement or any of the Security given in connection therewith;
- (viii) the Borrower has filed all tax returns which were required to be filed by it, if any, paid or made provision for payment of all taxes and potential prior ranking claims (including interest and penalties) which are due and payable, if any and provided adequate reserves for payment of any tax, the payment of which is being contested, if any; and
- (ix) the Borrower's obligation to complete this transaction is not dependent upon any condition whatsoever, and that the Lender assumes no obligation to assist the Borrower to complete the transaction in any way, except to make available the Facility as contemplated herein.

**Field Examinations /
Appraisals:**

The Borrower acknowledges that the Lender and its examiners shall be permitted to conduct periodic field examinations of the Collateral and operations of the Borrower, such examinations not to exceed four (4) in any calendar year prior to an Event of Default and more frequently as the Lender may determine in its sole discretion thereafter.

Environmental:

The Borrower agrees to indemnify the Lender for any liability arising from an environmental problem including, without limitation, for all decontamination and decommissioning costs or for damages incurred by the Lender or its agents as a result of such contamination. For the purposes of this Agreement, an “**environmental problem**” means an act of non-compliance to a law, regulation, etc. or soil and/or underground water that contains one or many pollutants (contaminants) in levels of concentration that exceed parameters or norms applicable for the present use and intended use of any of the Borrower's personal or real property including leased property.

Confidentiality:

The Borrower agrees to keep all of the information and terms related to this Agreement confidential. In particular, the existence of this Agreement or the discussions surrounding this Agreement cannot be disclosed to any party, including other creditors, without the Lender's prior written consent.

General:

Credit: The Borrower authorizes the Lender, hereinafter, to obtain such factual and investigative information regarding the Borrower from others as permitted by law, to furnish other consumer credit grantors and credit bureaus such information. The Lender, after completing credit investigations, which it will make from time to time concerning the Borrower, must in its absolute discretion be satisfied with all information obtained, prior to any advance being made under the Facility.

The Borrower further authorizes any financial institution, creditor, tax authority, employer or any other person, including any public entity, holding information concerning the Borrower or its assets, including any financial information or information with respect to any undertaking or suretyship given by the Borrower to supply such information to the Lender in order to verify the accuracy of all information furnished or to be furnished from time to time to the Lender and to ensure the solvency of the

Borrower at all times.

Non-Merger: The provisions of this Agreement shall not merge with any of the Security, but shall continue in full force and effect for the benefit of the parties hereto. In the event of an inconsistency between this Agreement and any of the Facility and security documentation, including the Security, the provisions of this Agreement shall prevail.

Further Assurances and Documentation: The Borrower shall do all things and execute all documents deemed necessary or appropriate by the Lender for the purposes of giving full force and effect to the terms, conditions, undertakings hereof and the Security granted or to be granted hereunder.

Severability: If any provisions of this Agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor shall it invalidate, affect or impair any of the remaining provisions of this Agreement.

Marketing: The Lender shall be permitted to use the name of the Borrower and the amount of the Facility for advertising purposes.

Governing Law: This Agreement and all agreements arising hereinafter shall be deemed to have been made and accepted in the City of Toronto, Ontario and construed in accordance with and be governed by the laws of the Province of Ontario and of Canada applicable therein.

Counterparts: This Agreement, the Security and all agreements arising hereinafter may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by telecopier, PDF or by other electronic means shall be as effective as delivery of a manually executed counterpart.

Notice: Except as otherwise provided herein, whenever any notice, demand, request or other communication shall or may be given to or served upon any party by any other party, or whenever any party desires to give or serve upon any other party any communication with respect to this Agreement, each such communication shall be in writing and shall be deemed to have been validly served, given or delivered: (a) upon the earlier of actual receipt (or refusal thereof) and three (3) Business Days after deposit in the mail, registered or certified mail, return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by telecopy, e-mail or other similar facsimile or electronic transmission (with such telecopy, e-mail or facsimile promptly confirmed by delivery of a copy by personal delivery or mail as otherwise provided in this paragraph) or (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when hand-delivered, all of which shall be addressed to the party to be notified and sent to the address or facsimile number indicated on the first page of this Agreement, in respect of the Borrower, and to Bridging Finance Inc., Attn: Graham Marr or David Sharpe, 77 King Street West Suite 2925, P.O. Box 322, Toronto ON M5K 1K7, Canada or to such other address (or facsimile number) as may be substituted by notice given as herein provided.

Assignment and Syndication: This Agreement when accepted and any commitment to advance, if issued, and the Security in furtherance thereof or any warrant or right may be assigned by the Lender, or monies required to be advanced may be syndicated by the Lender from time to time. For greater certainty, the Lender may assign or grant participation in all or part of this Agreement or in the Facility made hereunder without notice to and without the Borrower's consent. The Borrower may not assign or transfer

all or any part of its rights or obligations under this Agreement, any such transfer or assignment being null and void insofar as the Lender is concerned and rendering any balance then outstanding under the Facility immediately due and payable at the option of the Lender. Any information provided to any syndicate members shall be communicated to the members on a confidential basis and shall be maintained by the syndicate members on a confidential basis and used by them solely in connection with the Facility.

Joint and Several: Where more than one person is liable as the Borrower for any obligation under this Agreement, then the liability of each such person for such obligation is joint and several with each other such person.

Time: Time shall be of the essence in all provisions of this Agreement.

Whole Agreement, Amendments and Waiver: This Agreement, the Security and any other written agreement delivered pursuant to or referred to in this Agreement constitute the whole and entire agreement between the parties in respect of the Facility. There are no verbal agreements, undertakings or representations in connection with the Facility. No amendment or waiver of any provision of this Agreement will be effective unless it is in writing signed by the Borrower and the Lender. No failure or delay on the part of the Lender in exercising any right or power hereunder or under any of the Security shall operate as a waiver thereon. No course of conduct by the Lender will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Security or the Lender's rights thereunder.

Expiration: This Agreement must be accepted by the Borrower by no later than 5:00 pm on April 28, 2015, after which this Agreement will expire.

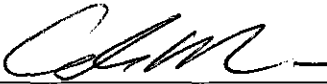
[THIS REST OF THIS PAGE IS INTENTIONALLY BLANK. SIGNATURE PAGE FOLLOWS]

If the terms and conditions of this Agreement are acceptable to you, please sign in the space indicated below and return the signed copy of this Agreement to us. Acceptance may also be effected by facsimile or scanned transmission and in counterpart.

We thank you for allowing us the opportunity to provide you with this Agreement.

Yours truly,

**BRIDGING FINANCE INC. as agent for
SPROTT BRIDGING INCOME FUND LP**

Per: 
Name: Graham Marr
Title: Portfolio Manager

I have authority to bind the Corporation.

ACCEPTANCE

The undersigned hereby accepts this Agreement as of the first date written on the first page of this Agreement.

SKYMARK FINANCE CORPORATION

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

I/We have authority to bind the Corporation.

If the terms and conditions of this Agreement are acceptable to you, please sign in the space indicated below and return the signed copy of this Agreement to us. Acceptance may also be effected by facsimile or scanned transmission and in counterpart.

We thank you for allowing us the opportunity to provide you with this Agreement.

Yours truly,

**BRIDGING FINANCE INC. as agent for
SPROTT BRIDGING INCOME FUND LP**

Per: _____
Name:
Title:

I have authority to bind the Corporation.

ACCEPTANCE

The undersigned hereby accepts this Agreement as of the first date written on the first page of this Agreement.

SKYMARK FINANCE CORPORATION

Per: _____
Name: *Michael Battista*
Title: *PRESIDENT*

Per: _____
Name: *PAUL MILLAR*
Title: *SECRETARY & TREASURER.*

I/We have authority to bind the Corporation.

Schedule A
Definitions

In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

- (a) “**Applicable Laws**” means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction.
- (b) “**Business Day**” means any day other than a Saturday or a Sunday or any other day on which banks are closed for business in Toronto.
- (c) “**Collateral**” means all of the Borrower's personal property.
- (d) “**Consumer Loans**” means loans made by the Borrower in respect of the Financed Items.
- (e) “**Credit Document**” means this Agreement, the Security, and all other security agreements, hypothecs, mortgages, documents, instruments, certificates, and notices at any time delivered by any person (other than Lender and its affiliates) in connection with any of the foregoing.
- (f) “**Disbursement Accounts**” means specifically account / transit numbers 0025216/14746 (CAD\$) at The Bank of Nova Scotia from which the Borrower shall make all of its payments and disbursements.
- (g) “**Eligible Consumer Loans**” means Consumer Loans made by the Borrower to an individual (the “**Consumer**”), secured by a security interest in respect of the assets of such Consumer including the real property owned by such Consumer where the Financed Items of such Consumer are located (the “**Applicable Real Property**”), where a valid registration or notice on title has been made in favour of the Borrower on the title to the Applicable Real Property, but excluding rural loans where the loan to value is greater than 60%; loans that are either in power of sale proceedings or for which legal letters have been issued or other legal collection proceedings have been initiated, and loans for which a payment has not been received by the Borrower for the prior 45 days and for which payment arrangements satisfactory to the Lender have not been made.
- (h) “**Encumbrances**” means any mortgage, Lien, pledge, assignment, charge, security interest, title retention agreement, hypothec, levy, execution, seizure, attachment, garnishment, right of distress or other claim in respect of property of any nature or kind whatsoever howsoever arising (whether consensual, statutory or arising by operation of law or otherwise) and includes arrangements known as sale and lease-back, sale and buy-back and sale with option to buy-back or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the PPSA or Uniform Commercial Code (or equivalent statutes) of any jurisdiction.
- (i) “**Financed Items**” means heating, ventilation and air conditioning systems; and water purification systems.
- (j) “**GAAP**” shall mean generally accepted accounting principles in Canada as in effect from time to time,
- (k) “**Lien**” means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation.

- (l) **“Material Adverse Change”** means any change, condition or event which, when considered individually or together with other changes, conditions, events or occurrences could reasonably be expected to have a Material Adverse Effect.
- (m) **“Material Adverse Effect”** means a material adverse effect on (i) the business, revenues, operations, assets, liabilities (contingent or otherwise), financial condition or prospects of the Borrower; (ii) on the rights and remedies of the Lender under this Agreement and the Security; (iii) on the ability of the Borrower to perform its obligations under this Agreement or any Credit Document; or (iv) on the Liens created by the Security Agreements.
- (n) **“person”** includes a natural person, a partnership, a joint venture, a trust, a fund, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity.
- (o) **“PPSA”** means the *Personal Property Security Act* (Ontario) as the same may be amended from time to time.
- (p) **“Prime Rate”** means the annual rate of interest established by Bank of Montreal and in effect on such day as the reference rate used to determine the rate of interest charged on Canadian dollar loans to commercial customers in Canada and designated by Bank of Montreal as its Prime Rate.
- (q) **“Priority Claims”** means the aggregate of any amounts accrued or payable by the Borrower which under any law may rank prior to or *pari passu* with any of the Security Agreements or otherwise in priority to any claim by the Lender for payment or repayment of any amounts owing under this Agreement, including: (i) wages, salaries, commissions or other remuneration; (ii) vacation pay; (iii) pension plan contributions; (iv) amounts required to be withheld from payments to employees or other persons for federal and provincial income taxes, employee Canadian Pension Plan contributions and employee Employment Insurance premiums, additional amounts payable on account of employer Canada Pension Plan contributions and employer Employment Insurance premiums; (v) harmonized sales tax; (vi) provincial sales or other consumption taxes; (vii) Workers' Compensation Board and Workplace Safety and Insurance Board premiums or similar premiums; (viii) real property taxes; (ix) rent and other amounts payable in respect of the use of real property; (x) amounts payable for repair, storage, transportation or construction or other services which may give rise to a possessory or registerable lien; (xi) claims which suppliers could assert pursuant to Section 81.1 or Section 81.2 of the *Bankruptcy and Insolvency Act* (Canada); and (xii) WEPPA Claims.
- (r) **“Statutory Encumbrances”** means any Encumbrances arising by operation of Applicable Laws, including, without limitation, for carriers, warehousemen, repairers', taxes, assessments, statutory obligations and government charges and levies for amounts not yet due and payable or which may be past due but which are being contested in good faith by appropriate proceedings (and as to which there are no other enforcement proceedings or they shall have been effectively stayed).
- (s) **“Tangible Net Worth”** shall mean the aggregate amount of all contributed capital, retained earnings, contributed surplus and shareholder and other loans as agreed to by Lender and formally and unconditionally postponed and subordinated to the liabilities and obligations owing to Lender, on terms and conditions satisfactory to Lender, less any and all intangibles, goodwill arising on consolidation, prepaid expenses, deferred charges (including deferred taxes), net leasehold improvements, and investments in or advances to any shareholders or any subsidiary or affiliate of Borrower or any of its officers, directors, employees or shareholders, determined in accordance with GAAP;
- (t) **“WEPPA Claims”** means any claims made against the Borrower pursuant to the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s.1, as the same may be amended, restated or replaced from time to time.

Words importing the singular include the plural thereof and vice versa and words importing gender include the masculine, feminine and neuter genders.

FIRST AMENDMENT TO LOAN AGREEMENT

EXECUTED by the parties hereto as of the 29th day of October, 2015.

AMONG: SKYMARK FINANCE CORPORATION
(hereinafter, the “**Borrower**”)

AND: BRIDGING FINANCE INC. as agent for SPROTT BRIDGING INCOME FUND LP
(the “**Lender**”)

WHEREAS the Borrower and the Lender have entered into a Letter Loan Agreement dated as of April 28, 2015 (including all annexes, exhibits and schedules thereto, and as the same has been, or may in the future be, amended, modified, restated, supplemented or replaced from time to time, the “**Loan Agreement**”);

AND WHEREAS the parties hereto desire to effect certain amendments to certain provisions of the Loan Agreement, but, in each case, only to the extent and subject to the limitations set forth in this First Amendment to the Loan Agreement (hereinafter this “**First Amendment**”);

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

ARTICLE II – AMENDMENTS

2.1 Establishment of New Subfacility

(a) The Loan Agreement is hereby amended by adding the following section:

Subfacility	Without increasing the Maximum Facility Amount, a subfacility (the “ Subfacility ”) in an amount not to exceed the Subfacility Borrowing Base (as hereinafter defined). Notwithstanding the section of the Loan Agreement entitled “Purpose”, the Borrower may only use the proceeds of the Subfacility to lend funds to [REDACTED] which funds shall be immediately used by [REDACTED] to deposit with the Ontario Ministry of Finance (the “Ministry”) as security in favour
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of the Ministry for [REDACTED] Tobacco Tax registration certificates and [REDACTED] ongoing tax obligations, only to be drawn in the event that [REDACTED] fails to make a required payment of taxes or permit fees (the "[REDACTED] Deposit"). The Subfacility shall be drawn in a single advance and may not, without the Lender's prior written consent, be repaid and redrawn. For greater certainty any advance pursuant to the Subfacility shall be a facility advance (as such term is used in this Agreement) and any such facility advance shall reduce Facility Availability in an equal amount. The Subfacility shall be available to the Borrower, upon satisfaction of the following conditions:

1. the Lender having: (i) visited one or more locations of [REDACTED]; (ii) met with management of [REDACTED]; (iii) received the constating documents of [REDACTED]; and (iv) received a certificate of status with respect to [REDACTED] showing it to be in good standing and generally being satisfied, in its sole and absolute discretion, as to its diligence with respect to [REDACTED] and
2. the Lender's satisfaction, in its sole and absolute discretion: (i) with the general security agreement taken by the Borrower over all personal property of [REDACTED] (the "GSA"), (ii) with the mortgage of real property taken by the Borrower over the real property of [REDACTED] (the "Mortgage" and together with the GSA, the "[REDACTED] Security"); (iii) with the loan agreement between the Borrower and [REDACTED] (the "Borrower/[REDACTED] Loan" and together with the [REDACTED] Security, the "[REDACTED] Credit Documents"); (iv) with all registrations of the Borrower over both the personal and real property of [REDACTED] (the "[REDACTED] Collateral"), showing the Borrower in a first ranking position.

The Subfacility Borrowing Base shall be equal to the lesser of (i) seven hundred twenty thousand dollars (\$720,000) and (ii) the result of the following equation: the undrawn portion of the [REDACTED] Deposit multiplied by 0.70. (NTD – it is the client's intention to draw the \$720K at funding and thereafter for no additional credit to be made available as part of this subfacility)

The Borrower agrees that:

1. it shall immediately give notice to the Lender of any draw on the [REDACTED] Deposit, any termination of the [REDACTED] Deposit, any default or other breach by [REDACTED] in respect of the [REDACTED] Deposit, or any breach by [REDACTED] in respect

	<p>of the Borrower/ [REDACTED] Loan;</p> <ol style="list-style-type: none"> 2. it shall, at all times that the Subfacility is drawn, include an assessment and certification of the value of the [REDACTED] Collateral NLV in each Borrowing Base Report; and 3. it shall not at any time assign, sell, transfer or grant any party other than the Lender any rights in or to the [REDACTED] Credit Documents or any proceeds thereof. <p>Without limiting any Event of Default, and notwithstanding any cure periods in this Loan Agreement, the following shall constitute additional immediate Events of Default, and shall not be subject to any cure period:</p> <ol style="list-style-type: none"> 1. Any failure by the Borrower to satisfy any obligation in this Section entitled "Subfacility"; 2. Any breach by Harley of the terms of the Borrower/ [REDACTED] Loan; and 3. At any time the Borrower fails to be in a first ranking position in respect of the registrations relating to the [REDACTED] Security.
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- (b) The final "." in part (xxi) of the section of the Loan Agreement entitled "Covenants:" is hereby deleted in its entirety and replaced with the following:

- (xxiii) If amount of the amount of the outstanding demand revolving loan (including the amount outstanding on the Subfacility) shall at any time exceed the Facility Availability, then Borrower shall immediately repay the demand revolving loan in the amount of such excess; and
- (xxiv) If amount of the amount of the outstanding on the Subfacility shall at any time exceed the Subfacility Borrowing Base, then Borrower shall immediately repay the demand revolving loan in the amount of such excess.

ARTICLE III – REAFFIRMATION OF OBLIGATIONS

3.1 The Borrower:

- (a) reaffirms its obligations under the Loan Agreement, and

- (b) confirms that its obligations remain in full force and effect with respect to the Loan Agreement,

in each case after giving effect to the amendments provided for herein.

ARTICLE IV – NO OTHER AMENDMENT

- 4.1 Except to the limited extent set forth herein no amendment, or waiver of any term, condition, covenant, agreement or any other aspect of the Loan Agreement is intended or implied.

ARTICLE V – MISCELLANEOUS

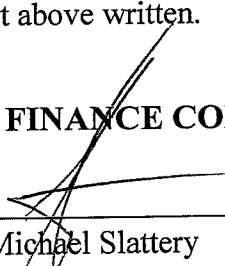
- 5.1 This First Amendment supersedes and replaces any prior agreements or understandings with respect to any of the matters provided for herein.
- 5.2 This First Amendment shall be deemed to have been made in the Province of Ontario and shall be governed by and interpreted in accordance with the laws of such Province and the laws of Canada applicable therein.
- 5.3 This First Amendment may be executed in one or more counterparts, including by way of facsimile, .pdf or other electronic means, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- 5.4 The parties herein have expressly requested that this First Amendment and all related documents be drawn up in the English language. *À la demande expresse des parties aux présentes, cette convention et tout document y afférent ont été rédigés en langue anglaise.*

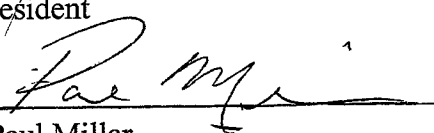
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[the following pages are the signature pages]

The parties have executed this First Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: 
Name: Michael Slattery
Title: President

By: 
Name: Paul Millar
Title: Secretary and Treasurer

**BRIDGING FINANCE INC. as agent for
SPROTT BRIDGING INCOME FUND
LP**

By: _____
Name:
Title:

SECOND AMENDMENT TO LOAN AGREEMENT

EXECUTED by the parties hereto as of the 14th day of December, 2015.

AMONG: SKYMARK FINANCE CORPORATION

(hereinafter, the “**Borrower**”)

AND: BRIDGING FINANCE INC. as agent for SPROTT BRIDGING INCOME FUND LP

(the “**Lender**”)

WHEREAS the Borrower and the Lender have entered into a Letter Loan Agreement dated as of April 28, 2015 as amended pursuant to the First Amendment to Loan Agreement dated October 29, 2015 (including all annexes, exhibits and schedules thereto, and as the same may be further amended, modified, restated, supplemented or replaced from time to time, the “**Loan Agreement**”);

AND WHEREAS the parties hereto desire to effect certain amendments to certain provisions of the Loan Agreement, but, in each case, only to the extent and subject to the limitations set forth in this Second Amendment to the Loan Agreement (hereinafter this “**Second Amendment**”);

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

- 1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

ARTICLE II – AMENDMENTS

2.1 Increase of Maximum Facility Amount

- (a) The Maximum Facility Amount of \$5,000,000 is hereby increased to \$7,500,000 during the terms of the [REDACTED] Subfacility.

2.2 Establishment of New [REDACTED] Subfacility

- (a) The Loan Agreement is hereby amended by adding the following section:

[REDACTED]	A subfacility (the “[REDACTED] Subfacility ”) in an amount not to exceed the [REDACTED] Subfacility Borrowing Base (as hereinafter defined) is
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Subfacility	<p>hereby established by the Lender in favour of the Borrower which facility shall be available from December [11], 2015 through the earlier of demand, the maturity date of the [REDACTED] Mortgage, or December.11, 2016 (the “[REDACTED] Subfacility Maturity Date”). Notwithstanding the section of the Loan Agreement entitled “Purpose”, the Borrower may only use the proceeds of the [REDACTED] Subfacility to immediately loan two million five hundred thousand dollars (\$2,500,000) (the “[REDACTED] Borrower [REDACTED] Loan”)to [REDACTED], in respect of lands and premises municipally known as 72-76 Wellington Street, London, Ontario, 283-299 South Street, London, Ontario, and 71 Waterloo Street, London, Ontario (collectively the “[REDACTED] Properties”). The Borrower [REDACTED] Loan shall be advanced to [REDACTED] contemporaneously with a \$1,000,000 loan from Merk Investments Ltd. (“Merk”) (with this loan from Merk and the Borrower [REDACTED] Loan collectively referred to as the “[REDACTED] Loan”). All security taken by Merk in respect of the [REDACTED] Loan shall be held in trust for [REDACTED], on the basis of a 71.43% interest of the Borrower in such security. The Borrower represents and warrants in favour of the Lender that the factual statements concerning the [REDACTED] Loan set out in this section are true. The [REDACTED] Subfacility shall be drawn in a single advance and may not, without the Lender’s prior written consent, be repaid and redrawn. For greater certainty any advance pursuant to the [REDACTED] Subfacility shall be a facility advance (as such term is used in this Agreement) and any such facility advance shall reduce the Facility Availability in an equal amount. The Subfacility shall be available to the Borrower, upon satisfaction of the following conditions:</p> <ol style="list-style-type: none"> 1. the Lender’s satisfaction, in its sole and absolute discretion: <ul style="list-style-type: none"> (i) with the mortgage of real property taken by Merk over the [REDACTED] Properties (the “[REDACTED] Mortgage”) and the documentation ancillary thereto (ii) with the [REDACTED] Loan; (iii) with its due diligence in respect of the [REDACTED] Properties, the [REDACTED] Loan and the documentation ancillary thereto, including the terms of the Borrower’s interest in the [REDACTED] Loan. 2. Evidence satisfactory to the Lender that the only condition to funding \$3.5 million of the [REDACTED] Loan is funding by the Lender to the Borrower of the [REDACTED] Subfacility. <p>The Subfacility Borrowing Base shall be equal to the lesser of (i) two million, five hundred thousand dollars (\$2,500,000) and (ii) 60% of the appraised value of [REDACTED] Properties.</p> <p>The Borrower agrees that:</p>
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	<ol style="list-style-type: none"> 1. it shall immediately give notice to the Lender of any termination of the [REDACTED] Loan, or any default or other breach by [REDACTED] or Merk in respect of the [REDACTED] Loan or [REDACTED] Mortgage; 2. all proceeds that it receives in respect of the [REDACTED] Loan (including, without limitation any enforcement on any security relating thereto) shall be immediately provided to the Lender for application by the Lender to obligations owing by the Borrower in accordance with this Agreement; 3. it shall not at any time assign, sell, transfer or grant any party other than the Lender any rights in or to the [REDACTED] Loan or the [REDACTED] Mortgage or any proceeds thereof. <p>The Borrower agrees that it hereby collaterally transfers and assigns, and grants a security interest in, all right title and interest it has, or may, from time to time have, in the [REDACTED] Mortgage, the [REDACTED] Properties and the [REDACTED] Loan to the Lender as security for the Borrower's obligations to and in favour of the Lender pursuant to this Agreement.</p> <p>Without limiting any Event of Default, and notwithstanding any cure periods in this Loan Agreement, the following shall constitute additional immediate Events of Default, and shall not be subject to any cure period:</p> <ol style="list-style-type: none"> 1. Any failure by the Borrower to satisfy any obligation in this Section entitled "[REDACTED] Subfacility"; 2. Any breach by [REDACTED] or Merk of the terms of the [REDACTED] Loan, the [REDACTED] Mortgage, or any agreement concerning the Borrower's participation in the [REDACTED] Loan or [REDACTED] Mortgage; and 3. At any time Merk fails to be in a first ranking position in respect of the registrations relating to the [REDACTED] Mortgage.
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(b) The part (xxiii) and (xxiv) of the section of the Loan Agreement entitled "Covenants:" is hereby deleted in its entirety and replaced with the following:

(xxiii) If amount of the amount of the outstanding demand revolving loan (including the amount outstanding on the Subfacility or the [REDACTED] Subfacility) shall at any time exceed the Facility Availability, then

Borrower shall immediately repay the demand revolving loan in the amount of such excess;

- (xxiv) If the amount outstanding on the Subfacility shall at any time exceed the Subfacility Borrowing Base, then Borrower shall immediately repay the demand revolving loan in the amount of such excess; and
- (xxv) If the amount outstanding on the [REDACTED] Subfacility shall at any time exceed the [REDACTED] Subfacility Borrowing Base, then Borrower shall immediately repay the demand revolving loan in the amount of such excess;

ARTICLE III – REAFFIRMATION OF OBLIGATIONS

3.1 The Borrower:

- (a) reaffirms its obligations under the Loan Agreement, and
- (b) confirms that its obligations remain in full force and effect with respect to the Loan Agreement,

in each case after giving effect to the amendments provided for herein.

ARTICLE IV – AMENDMENT FEE

- 4.1 In consideration of the amendments provided for herein, the Borrower shall pay to the Lender a fee of \$25,000, which for greater certainty, shall be fully earned, due and payable as of the date hereof. In addition, in the event that the [REDACTED] Loan is repaid, in whole or in part, at any time prior to the 365 day anniversary of this Second Amendment, an early repayment fee of \$25,000 shall be due and payable by the Borrower to the Lender on such date of early repayment..

ARTICLE V – NO OTHER AMENDMENT

- 5.1 Except to the limited extent set forth herein no amendment, or waiver of any term, condition, covenant, agreement or any other aspect of the Loan Agreement is intended or implied.

ARTICLE VI – MISCELLANEOUS

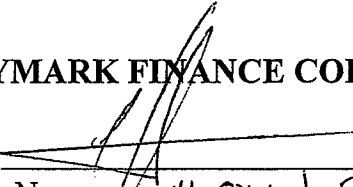
- 6.1 This Second Amendment supersedes and replaces any prior agreements or understandings with respect to any of the matters provided for herein.
- 6.2 This Second Amendment shall be deemed to have been made in the Province of Ontario and shall be governed by and interpreted in accordance with the laws of such Province and the laws of Canada applicable therein.
- 6.3 This Second Amendment may be executed in one or more counterparts, including by way of facsimile, .pdf or other electronic means, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- 6.4 The parties herein have expressly requested that this Second Amendment and all related documents be drawn up in the English language. *À la demande expresse des parties aux présentes, cette convention et tout document y afférent ont été rédigés en langue anglaise.*

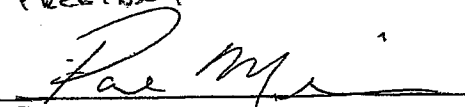
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[the following pages are the signature pages]

The parties have executed this Second Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: 
Name: Michael Slatton
Title: President

By: 
Name: Paul Miller
Title: VICE PRESIDENT

**BRIDGING FINANCE INC. as agent for
SPROTT BRIDGING INCOME FUND
LP**

By: _____
Name:
Title:

The parties have executed this Second Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: _____

Name:

Title:

By: _____

Name:


Title:

**BRIDGING FINANCE INC. as agent for
SPROTT BRIDGING INCOME FUND
LP**

By: _____

Name:

Title:


Graham Mann
Portfolio Manager

THIRD AMENDMENT TO LOAN AGREEMENT

EXECUTED by the parties hereto as of the 17th day of May, 2016.

AMONG: SKYMARK FINANCE CORPORATION

(hereinafter, the “**Borrower**”)

AND: BRIDGING FINANCE INC. as agent for SPROTT BRIDGING INCOME FUND LP

(the “**Lender**”)

WHEREAS the Borrower and the Lender have entered into a Letter Loan Agreement dated as of April 28, 2015, as amended pursuant to the First Amendment to Loan Agreement dated October 29, 2015 and the Second Amendment to Loan Agreement dated December 14, 2015 (including all annexes, exhibits and schedules thereto, and as the same may be further amended, modified, restated, supplemented or replaced from time to time, the “**Loan Agreement**”);

AND WHEREAS the parties hereto desire to effect certain amendments to certain provisions of the Loan Agreement, but, in each case, only to the extent and subject to the limitations set forth in this Third Amendment to Loan Agreement (hereinafter this “**Third Amendment**”);

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

- 1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

ARTICLE II – AMENDMENTS

2.1 Increase of Maximum Facility Amount

- (a) The Maximum Facility Amount of \$7,500,000 is hereby increased to \$10,000,000 during the term of the [REDACTED] Subfacility.

2.2 Definition of “Disbursement Account”

- (a) The definition of “Disbursement Accounts” provided in Schedule “A” of the Loan Agreement is deleted in its entirety and replaced with the following:

““**Disbursement Accounts**” means specifically account / transit numbers 00453 14/14746 (CAD\$) at The Bank of Nova Scotia from which the Borrower shall make all of its payments and disbursements.”

ARTICLE III – REAFFIRMATION OF OBLIGATIONS

3.1 The Borrower:

- (a) reaffirms its obligations under the Loan Agreement, and
- (b) confirms that its obligations remain in full force and effect with respect to the Loan Agreement,

in each case after giving effect to the amendments provided for herein.

ARTICLE IV – NO OTHER AMENDMENT

- 4.1 Except to the limited extent set forth herein no amendment, or waiver of any term, condition, covenant, agreement or any other aspect of the Loan Agreement is intended or implied.

ARTICLE V – MISCELLANEOUS

- 5.1 This Third Amendment supersedes and replaces any prior agreements or understandings with respect to any of the matters provided for herein.
- 5.2 This Third Amendment shall be deemed to have been made in the Province of Ontario and shall be governed by and interpreted in accordance with the laws of such Province and the laws of Canada applicable therein.
- 5.3 This Third Amendment may be executed in one or more counterparts, including by way of facsimile, .pdf or other electronic means, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- 5.4 The parties herein have expressly requested that this Third Amendment and all related documents be drawn up in the English language. *À la demande expresse des parties aux présentes, cette convention et tout document y afférent ont été rédigés en langue anglaise.*

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[the following pages are the signature pages]

The parties have executed this Third Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: 

Name:

Michael Slattery

Title:

President

By: _____

Name:

Title:

**BRIDGING FINANCE INC. as agent for
SPROTT BRIDGING INCOME FUND
LP**

By: _____

Name:

Title:

The parties have executed this Third Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: _____

Name:

Title:

By: _____

Name:

Title:

**BRIDGING FINANCE INC. as agent for
SPROTT BRIDGING INCOME FUND
LP**

By: _____

Name:

Title:

The parties have executed this Third Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: _____

Name:

Title:

By: _____

Name:

Title:

**BRIDGING FINANCE INC. as agent for
SPROTT BRIDGING INCOME FUND
LP**

By: _____

Name:

Title:

Cal M.

Graham M.

Portfolio Manager

FOURTH AMENDMENT TO LOAN AGREEMENT

EXECUTED by the parties hereto as of the 4 day of October, 2016.

AMONG: SKYMARK FINANCE CORPORATION

(hereinafter, the “**Borrower**”)

AND: BRIDGING FINANCE INC. as agent for SPROTT BRIDGING INCOME FUND LP

(the “**Lender**”)

WHEREAS the Borrower and the Lender have entered into a Letter Loan Agreement dated as of April 28, 2015, as amended pursuant to the First Amendment to Loan Agreement dated October 29, 2015, the Second Amendment to Loan Agreement dated December 14, 2015 and the Third Amendment to Loan Agreement dated May 17, 2016 (including all annexes, exhibits and schedules thereto, and as the same may be further amended, modified, restated, supplemented or replaced from time to time, the “**Loan Agreement**”);

AND WHEREAS the parties hereto desire to effect certain amendments to certain provisions of the Loan Agreement, but, in each case, only to the extent and subject to the limitations set forth in this Fourth Amendment to Loan Agreement (hereinafter this “**Fourth Amendment**”);

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

- 1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

ARTICLE II – AMENDMENTS

2.1 Increase of Maximum Facility Amount

The Maximum Facility Amount of \$10,000,000 is hereby increased to \$12,500,000 during the term of the [REDACTED] Subfacility.

2.2 Commencement of Sweeping of Accounts

The second sentence of subparagraph (iii) of the Section entitled “Cash Management Systems”, which currently reads as follows, is hereby deleted in its entirety:

“The Lender agrees that is shall not provide such notice to the Borrower’s bank unless an Event of Default has occurred, the Lender has made demand under this Agreement or greater than 20% of the Consumer Loans include any amounts that are past due.”

For greater certainty, in accordance with the last sentence of part (iii) of the section of the Loan Agreement entitled “Cash Management Systems”, the Lender intends to deliver an Activation Notice (as defined in the Blocked Account Agreement among the Borrower, Lender and the Toronto-Dominion Bank (“TD”)) and hereafter may commence sweeping accounts of the Borrower at TD. Lender may also deliver a Trigger Notice (as defined in the Blocked Account Agreement among The Bank of Nova Scotia (“BNS”), the Borrower and the Lender) and commence sweeping accounts of the Borrower at BNS.

ARTICLE III – REAFFIRMATION OF OBLIGATIONS

3.1 The Borrower:

- (a) reaffirms its obligations under the Loan Agreement, and
- (b) confirms that its obligations remain in full force and effect with respect to the Loan Agreement,

in each case after giving effect to the amendments provided for herein.

ARTICLE IV – NO OTHER AMENDMENT

- 4.1 Except to the limited extent set forth herein no amendment, or waiver of any term, condition, covenant, agreement or any other aspect of the Loan Agreement is intended or implied.

ARTICLE V – MISCELLANEOUS

- 5.1 This Fourth Amendment supersedes and replaces any prior agreements or understandings with respect to any of the matters provided for herein.
- 5.2 This Fourth Amendment shall be deemed to have been made in the Province of Ontario and shall be governed by and interpreted in accordance with the laws of such Province and the laws of Canada applicable therein.
- 5.3 This Fourth Amendment may be executed in one or more counterparts, including by way of facsimile, .pdf or other electronic means, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- 5.4 The parties herein have expressly requested that this Fourth Amendment and all related documents be drawn up in the English language. *À la demande expresse des parties aux présentes, cette convention et tout document y afférent ont été rédigés en langue anglaise.*

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[the following pages are the signature pages]

The parties have executed this Fourth Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: _____

Name:

Title:

By: _____

Name:

Title:

**BRIDGING FINANCE INC. as agent for
SPROTT BRIDGING INCOME FUND
LP**

By:  _____

Name:

Title:

Graham Marr

Portfolio Manager

The parties have executed this Fourth Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: _____

Name: Michael Slattery

Title:

President of SkyMark Finance Corp.

By: _____

Name: Paul Miller

Title:

Co-Owner of SkyMark Finance Corp.

**BRIDGING FINANCE INC. as agent for
SPROTT BRIDGING INCOME FUND
LP**

By: _____

Name:

Title:

4B AMENDMENT TO LOAN AGREEMENT

EXECUTED by the parties hereto as of the 15th day of May, 2017.

AMONG: SKYMARK FINANCE CORPORATION

(hereinafter, the “**Borrower**”)

AND: BRIDGING FINANCE INC. as agent for SPROTT BRIDGING INCOME FUND LP

(the “**Lender**”)

WHEREAS the Borrower and the Lender have entered into a Letter Loan Agreement dated as of April 28, 2015, as amended pursuant to the First Amendment to Loan Agreement dated October 29, 2015, the Second Amendment to Loan Agreement dated December 14, 2015, the Third Amendment to Loan Agreement dated May 17, 2016, and the Fourth Amendment to Loan Agreement dated October 4, 2016 (including all annexes, exhibits and schedules thereto, and as the same may be further amended, modified, restated, supplemented or replaced from time to time, the “**Loan Agreement**”);

AND WHEREAS the parties hereto desire to effect certain amendments to certain provisions of the Loan Agreement, but, in each case, only to the extent and subject to the limitations set forth in this 4B Amendment to Loan Agreement (hereinafter this “**4B Amendment**”);

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

- 1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

ARTICLE II – AMENDMENTS

2.1 Establishment of MV/GM Subfacilities

- (a) The Loan Agreement is hereby amended by adding the following sections:

MVCI Subfacility A	The Borrower desires to establish a demand construction facility in favour of Mahal Venture Capital Inc. (“ MVCI ”) and Golden Mile Food Corp. (“ GM Foods ”), with such facility granted by the Borrower and being hereinafter referred to as the “ MVCI Facility ”. In order to provide the Borrower with financing to fund the MVCI Facility, the Lender has agreed to provide the Borrower with a subfacility (“ MVCI Subfacility A ”) in an
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	<p>amount not to exceed \$9,600,000 (the “MVCI Maximum Amount”). MVCI Subfacility A shall be available through the earlier of demand, the maturity date of the MVCI Facility, demand or acceleration of the MVCI Facility, or June 30, 2018 (the “MVCI Subfacility A Maturity Date”). Notwithstanding the section of the Loan Agreement entitled “Purpose”, the Borrower may only use the proceeds of MVCI Subfacility A to make the MVCI Facility loans. Advances pursuant to the MVCI Facility are trached, and MVCI may only make a request to the Borrower for borrowing pursuant to the MVCI Facility (an “MVCI Borrowing Request”) once the conditions associated with such borrowing set out in the MVCI Facility have been satisfied. After receipt by the Borrower of an MVCI Borrowing Request, the Borrower shall use commercially reasonable judgement and enquiry to confirm that the conditions required to be satisfied by MVCI to obtain the advance requested (collectively the “MVCI Borrowing CPs”) in the MVCI Borrowing Request have been satisfied. Thereafter, the Borrower may make a request to the Lender for an advance pursuant to MVCI Subfacility A, which request shall (A) be in writing and (B) include a certification of a senior officer of the Borrower, in form and substance satisfactory to the Lender, amongst other things confirming, after due enquiry the MVCI Borrowing CPs have been satisfied and (C) attach reasonable evidence confirming the satisfaction of such MVCI Borrowing CPs. Within two (2) business days of the Lender’s satisfaction with such certificate, it shall advance the amount so requested therein, to the Borrower, and the Borrower shall immediately use such proceeds to advance the loan to MVCI set out in the MVCI Borrowing Request.</p>
GM Foods Subfacility B	<p>The Borrower desires to establish a demand equipment facility in favour of MVCI and GM Foods, with such facility granted by the Borrower and hereinafter referred to as the (“GM Foods Facility”). In order to provide the Borrower with financing to fund the GM Foods Facility, the Lender has agreed to provide the Borrower with a subfacility (“GM Foods Subfacility B”) in an amount not to exceed \$3,000,000 (the “GM Foods Maximum Amount”). GM Foods Subfacility B shall be available through the earlier of demand, the maturity date of the GM Foods Facility, demand or acceleration of the GM Foods Facility, or June 30, 2018, subject to extension upon agreement of the Lender (the “GM Foods Subfacility B Maturity Date”). Notwithstanding the section of the Loan Agreement entitled “Purpose”, the Borrower may only use the proceeds of GM Foods Subfacility B to make the GM Foods Facility loans. After receipt by the Borrower of a request from GM Foods for an advance pursuant to the GM Foods Facility (a “GM Foods</p>

	<p>Borrowing Request”), the Borrower shall use commercially reasonable judgement and enquiry to confirm that the conditions required to be satisfied by GM Foods to obtain such GM Foods Borrowing Request (collectively the “GM Foods Borrowing CPs”) have been satisfied. Thereafter, the Borrower may make a request to the Lender for an advance pursuant to GM Foods Subfacility B, which request shall (A) be in writing and (B) include a certification of a senior officer of the Borrower, in form and substance satisfactory to the Lender, amongst other things confirming, after due enquiry that the GM Foods Borrowing CPs have been satisfied and (C) attach reasonable evidence confirming the satisfaction of such GM Foods Borrowing CPs. Within two (2) business days of the Lender’s satisfaction with such certificate, it shall advance the amount so requested therein, to the Borrower, and the Borrower shall immediately use such proceeds to advance the loan to GM Foods set out in the GM Foods Borrowing Request.</p> <p>Collectively, the MVCI Subfacility A and the GM Foods Subfacility B are hereinafter referred to as the “MV/GM Subfacilities”.</p>
Various Provisions relating to the MV/GM Subfacilities	<p>For greater certainty (A) any advance pursuant to an MV/GM Subfacility shall be a facility advance (as such term is used in this Agreement) and any such facility advance shall reduce the availability of the MVCI Subfacility A and the GM Foods Subfacility B, as applicable, in an equal amount, and (B) the Borrower shall be fully liable for all obligations pursuant to the MV/GM Subfacilities.</p> <p>The Borrower shall not do any of the following, without the prior written consent of the Lender:</p> <ol style="list-style-type: none"> 1. amend, modify, discharge or terminate the MVCI Facility and/or the GM Foods Facility or any documents associated therewith (including, without limitation, any security associated therewith including mortgages); 2. grant any extensions, waivers or consents, pursuant to the MVCI Facility and/or the GM Foods Facility; 3. accept payment for any obligation due pursuant to the MVCI Facility and/or the GM Foods Facility in consideration other than cash; or 4. assign, sell, transfer or grant any person or entity other than the Lender any rights (including any participation right or indirect rights) in or to the MVCI Facility and/or

	<p>the GM Foods Facility or any proceeds thereof.</p> <p>The Borrower agrees that:</p> <ol style="list-style-type: none"> 1. it shall immediately give notice to the Lender of (A) any termination of the MVCI Facility and/or the GM Foods Facility, (B) any default or other breach in respect of the MVCI Facility and/or the GM Foods Facility or (C) any event, occurrence, omission, fact or thing, which could reasonably be expected to have a materially negative impact on the prospect of repayment of the MVCI Facility and/or the GM Foods Facility. <p>The Borrower agrees that, without limiting any other security that it has granted to the Lender, it hereby collaterally transfers and assigns, and grants a security interest in, all right title and interest it has, or may, from time to time have, in respect of the MVCI Facility and/or the GM Foods Facility (as the same may be amended, restated, modified or replaced from time to time in accordance with this Agreement), and all documentation and security associated therewith (including any mortgage granted to the Borrower as security).</p> <p>Without limiting any Event of Default, and notwithstanding any cure periods in this Loan Agreement, the following shall constitute additional immediate Events of Default, and shall not be subject to any cure period:</p> <ol style="list-style-type: none"> 1. any failure by the Borrower to satisfy any obligation in respect of the MV/GM Subfacilities; 2. any breach by MVCI or GM Foods of the terms of this 4B Amendment, the MVCI Facility and/or the GM Foods Facility or any document or agreement associated therewith; and 3. at any time the Borrower fails to be in a first ranking position in respect of the registrations relating to the mortgages and other security associated with the MVCI Facility and/or the GM Foods Facility.
Prepayment of MV/GM Subfacilities	<p>Notwithstanding the provision of this Agreement entitled “Prepayment”, the MVCI Subfacility A, and/or the GM Foods Subfacility B may be prepaid in full or partially at any time without any fee or penalty provided that the Borrower shall deliver an irrevocable prepayment notice to the Agent (the “Prepayment Notice”) ninety (90) days prior to the proposed prepayment date (the “Prepayment Date”) setting forth the amount being prepaid (the “Prepayment Amount”) and</p>

	<p>provided that the Borrower pays the full Prepayment Amount on the Prepayment Date.</p> <p>Should the Borrower wish to prepay the MV/GM Subfacilities in full or partially without having to provide the Lender with the required ninety (90) days prior notice, the Borrower shall pay to the Lender an amount calculated in accordance with the formula set out below and which shall be due and payable as of the date the prepayment is made:</p> $I/365 \times (90 - N) \times M$ <p>Where:</p> <p>I = the MV/GM Interest Rate on the date the Prepayment Notice was given or, if no Prepayment Notice was given, on the date the prepayment is made;</p> <p>N = where a Prepayment Notice was given, the number of days between the date the Prepayment Notice is given and the date of prepayment, provided that if no Prepayment Notice was given, N shall equal 0; and</p> <p>M = the Prepayment Amount, including any proportionate interest and other fees owing, on the date the Prepayment Notice was given or, if no Prepayment Notice was given, on the date the prepayment is made.</p> <p>In the event that the Prepayment Amount is not paid in full on the Prepayment Date, then the Lender shall have the option, in its discretion, to declare and consider the Prepayment Notice to be null and void such that any prepayment shall thereafter only be permitted by the delivery of a new Prepayment Notice in compliance with this Section.</p>
Interest and Fees on the MV/GM Subfacilities	<p>Notwithstanding any other provisions of this Agreement, MV/GM Subfacilities shall, prior to an Event of Default, bear interest at an annual rate equal to the Prime Rate plus 11.3% (the “MV/GM Interest Rate”) calculated on the daily combined outstanding balance of MV/GM Subfacilities, not in advance and with no deemed reinvestment of monthly payments.</p> <p>At the same time interest is due and payable each month by the Borrower to the Lender, the Borrower shall pay to the Lender a monitoring fee of \$1,500.00 plus applicable taxes per month (payable in advance), until the later to occur of the termination of MSCI Subfacility A, and the GM Foods Subfacility B.</p>
Reporting in	In addition to the reporting set out in the Section of this

Respect of the MV/GM Subfacilities	<p>Agreement entitled “Covenants”, monthly, by the 25th day of each month, the Borrower shall deliver to the Lender information concerning the Processing Plant and the Equipment (for the purposes of this Agreement the terms “Processing Plant” and “Equipment” shall make reference to the processing plant and related equipment required to operate the flour, cookie and grain manufacturing facility located at 155 Adams Blvd, Brantford, Ontario), zoning and approval status concerning the same, sales and contract status in respect of the Processing Plant, and, if requested by the Lender, periodic written reports from the Cost Consultant in respect of the Processing Plant and the Equipment.</p>
Additional Conditions concerning establishment of the MV/GM Subfacilities	<p>As additional conditions precedent to the establishment of the MV/GM Subfacilities, the Lender shall:</p> <ol style="list-style-type: none"> 1. be satisfied in its sole and absolute discretion that no Event of Default has occurred or is continuing; 2. be satisfied, in its sole and absolute discretion with its due diligence in respect of MVCI and GM Foods; 3. have received, in form and substance satisfactory to it, a collateral assignment of all of the right, title and interest of the security of the Borrower in and to the property of MVCI and GM Foods, including, without limitation: <ol style="list-style-type: none"> a. The Borrower’s first ranking security interest in the assets of MVCI and GM Foods; b. The Borrower’s first ranking collateral mortgage over the property municipally known as 155 Adams Blvd, Brantford, ON (the “Property”) c. a postponement and assignment of all claims from the directors and shareholders of MVCI and GM Foods in favour of the Borrower; d. assignment in favour of the Borrower in respect of all contracts relating to the construction of the Processing Plant; e. assignment of insurance of MVCI and GM Foods listing the Borrower as first loss payee thereunder; and f. unlimited personal guarantee of Santosh Mahal and Jesse Mahal in favour of the Borrower. 4. Have received credit reports and financial statements in

	<p>respect of each of MVCI and GM Foods;</p> <ol style="list-style-type: none"> 5. Be satisfied in its sole and absolute discretion with the cost consultant hired in respect of the construction of the Processing Facility; 6. Be satisfied in its sole and absolute discretion with the results of due diligence searches, enquiries and reports, including without limitation: <ol style="list-style-type: none"> a. Reliance letters addressed to the Borrower and Lender with respect to soil tests and geotechnical reports, phase I environmental tests (and if recommended, phase 2 environmental tests), b. Current appraisals of the Property; 7. Be satisfied in its sole and absolute discretion with the budget associated with the construction of the Processing Facility, and that the contracts associated therewith are in place; 8. Be satisfied in its sole and absolute discretion that MVCI and GM Foods do not have any debt over their personal or real property; 9. Be satisfied, in its sole and absolute discretion that all realty taxes in respect of the Property have been paid in full; 10. Be satisfied, in its sole and absolute discretion with the current zoning of the Property; 11. Be satisfied, in its sole and absolute discretion that there has been no material deterioration in the business of either the Borrower, MVCI or GM Foods; and 12. Have received customary financing documents.
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ARTICLE III – REAFFIRMATION OF OBLIGATIONS

3.1 The Borrower:

- (a) reaffirms its obligations under the Loan Agreement, and

- (b) confirms that its obligations remain in full force and effect with respect to the Loan Agreement,

in each case after giving effect to the amendments provided for herein.

ARTICLE IV – NO OTHER AMENDMENT

- 4.1 Except to the limited extent set forth herein no amendment, or waiver of any term, condition, covenant, agreement or any other aspect of the Loan Agreement is intended or implied.

ARTICLE V – AMENDMENT FEE

- 5.1 In consideration for the Lender entering into this 4B Amendment, the Borrower hereby agrees to pay to the Lender an amendment fee of \$126,000 plus applicable taxes due and payable at the time of execution of this 4B Amendment (the “**Amendment Fee**”). It is understood and agreed upon between the Borrower and the Lender that such Amendment Fee shall be added to the outstanding balance of the MVCI Subfacility A.

ARTICLE VI – MISCELLANEOUS

- 6.1 This 4B Amendment supersedes and replaces any prior agreements or understandings with respect to any of the matters provided for herein.
- 6.2 This 4B Amendment shall be deemed to have been made in the Province of Ontario and shall be governed by and interpreted in accordance with the laws of such Province and the laws of Canada applicable therein.
- 6.3 This 4B Amendment may be executed in one or more counterparts, including by way of facsimile, .pdf or other electronic means, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- 6.4 The parties herein have expressly requested that this 4B Amendment and all related documents be drawn up in the English language. *À la demande expresse des parties aux présentes, cette convention et tout document y afférent ont été rédigés en langue anglaise.*

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[the following pages are the signature pages]

The parties have executed this 4B Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: 

Name: MICHAEL SLATTERY
Title: DIRECTOR

By: 

Name: PATRICIA MILLAR
Title: DIRECTOR

**BRIDGING FINANCE INC. as agent for
SPROTT BRIDGING INCOME FUND
LP**

By: 

Name: Graham Mann
Title: Per Helen Mann

FIFTH AMENDMENT TO LOAN AGREEMENT

EXECUTED by the parties hereto as of the 21st day of July, 2017.

AMONG: SKYMARK FINANCE CORPORATION

(hereinafter, the “**Borrower**”)

AND: BRIDGING FINANCE INC. as agent for SPROTT BRIDGING INCOME FUND LP

(the “**Lender**”)

WHEREAS the Borrower and the Lender have entered into a Letter Loan Agreement dated as of April 28, 2015, as amended pursuant to the First Amendment to Loan Agreement dated October 29, 2015, the Second Amendment to Loan Agreement dated December 14, 2015, the Third Amendment to Loan Agreement dated May 17, 2016 and the Fourth Amendment to Loan Agreement dated October 4, 2016 (including all annexes, exhibits and schedules thereto, and as the same may be further amended, modified, restated, supplemented or replaced from time to time, the “**Loan Agreement**”);

AND WHEREAS the parties hereto desire to effect certain amendments to certain provisions of the Loan Agreement, but, in each case, only to the extent and subject to the limitations set forth in this Fifth Amendment to Loan Agreement (hereinafter this “**Fifth Amendment**”);

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

- 1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

ARTICLE II – AMENDMENTS

2.1 Increase of Maximum Facility Amount

The Maximum Facility Amount of \$12,500,000 is hereby increased to \$14,500,000 during the term of the [REDACTED] Subfacility.

2.2 Extension of Term

The Section entitled “Term” is hereby deleted in its entirety and replaced with the following:

“**Term:** The earlier of demand and June 30, 2018 (the “**Term**”).”

2.3 Extension of [REDACTED] Subfacility

The first sentence of the section entitled “[REDACTED] Subfacility” is hereby deleted in its entirety and replaced with the following:

- (a) “[REDACTED] **Subfacility:** A subfacility (the “[REDACTED] **Subfacility**”) in an amount not to exceed the [REDACTED] Subfacility Borrowing Base (as hereinafter defined) is hereby established by the Lender in favour of the Borrower which facility shall be available from December 11, 2015 through the earlier of demand, the maturity date of the [REDACTED] Mortgage, or the last day of the Term (the “[REDACTED] **Subfacility Maturity Date**”).

ARTICLE III – REAFFIRMATION OF OBLIGATIONS

3.1 The Borrower:

- (a) reaffirms its obligations under the Loan Agreement, and
- (b) confirms that its obligations remain in full force and effect with respect to the Loan Agreement,

in each case after giving effect to the amendments provided for herein.

ARTICLE IV – NO OTHER AMENDMENT

- 4.1 Except to the limited extent set forth herein no amendment, or waiver of any term, condition, covenant, agreement or any other aspect of the Loan Agreement is intended or implied.

ARTICLE V – MISCELLANEOUS

- 5.1 This Fifth Amendment supersedes and replaces any prior agreements or understandings with respect to any of the matters provided for herein.
- 5.2 This Fifth Amendment shall be deemed to have been made in the Province of Ontario and shall be governed by and interpreted in accordance with the laws of such Province and the laws of Canada applicable therein.
- 5.3 This Fifth Amendment may be executed in one or more counterparts, including by way of facsimile, .pdf or other electronic means, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- 5.4 The parties herein have expressly requested that this Fifth Amendment and all related documents be drawn up in the English language. *À la demande expresse des parties aux présentes, cette convention et tout document y afférent ont été rédigés en langue anglaise.*

The parties have executed this Fifth Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: _____

Name: Michael Slattery

Title: President

By: _____

Name: Paul Millar

Title: Secretary and Treasurer

**BRIDGING FINANCE INC. as agent for
SPROTT BRIDGING INCOME FUND
LP**

By: _____

Name: _____

Title: _____

SIXTH AMENDMENT TO LOAN AGREEMENT

EXECUTED by the parties hereto as of the 1st day of March, 2018.

AMONG: SKYMARK FINANCE CORPORATION

(hereinafter, the “**Borrower**”)

AND: BRIDGING FINANCE INC., as agent

(the “**Lender**”)

WHEREAS the Borrower and the Lender have entered into a Letter Loan Agreement dated as of April 28, 2015, as amended pursuant to the First Amendment to Loan Agreement dated October 29, 2015, the Second Amendment to Loan Agreement dated December 14, 2015, the Third Amendment to Loan Agreement dated May 17, 2016, the Fourth Amendment to Loan Agreement dated October 4, 2016, 4B Amendment to Loan Agreement dated as of May 15, 2017, and the Fifth Amendment to Loan Agreement dated July 21, 2017 (including all annexes, exhibits and schedules thereto, and as the same may be further amended, modified, restated, supplemented or replaced from time to time, the “**Loan Agreement**”);

AND WHEREAS the parties hereto desire to effect certain amendments to certain provisions of the Loan Agreement, but, in each case, only to the extent and subject to the limitations set forth in this Sixth Amendment to Loan Agreement (hereinafter this “**Sixth Amendment**”);

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

- 1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

ARTICLE II – AMENDMENTS

2.1 Increase of Maximum Facility Amount

Effective as of April 1, 2018, the Maximum Facility Amount of \$14,500,000 is hereby increased to \$17,000,000 during the term of the [REDACTED] Subfacility. For greater certainty, (i) this increase shall not increase or amend the [REDACTED] Subfacility Borrowing Base and (ii) upon repayment in full of the [REDACTED] Subfacility, the Maximum Facility Amount shall be reduced by the principal amount of the [REDACTED] Subfacility and the [REDACTED] Subfacility shall be terminated.

2.2 Extension of Term

The Section entitled “Term” is hereby deleted in its entirety and replaced with the following:

“**Term:** The earlier of demand and January 31, 2019 (the “**Term**”).”

2.3 Interest Rate Reduction

Effective as of March 1, 2018, the section titled “Interest Rate and Fees” is hereby amended by deleting references to “Prime Rate plus 9.15%” and replacing such references with “Prime Rate plus 7.55%”.

ARTICLE III – REAFFIRMATION OF OBLIGATIONS

3.1 The Borrower:

- (a) reaffirms its obligations under the Loan Agreement, and
- (b) confirms that its obligations remain in full force and effect with respect to the Loan Agreement,

in each case after giving effect to the amendments provided for herein.

ARTICLE IV – NO OTHER AMENDMENT

- 4.1 Except to the limited extent set forth herein no amendment, or waiver of any term, condition, covenant, agreement or any other aspect of the Loan Agreement is intended or implied.

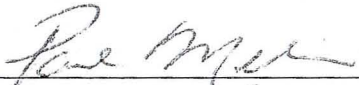
ARTICLE V – MISCELLANEOUS

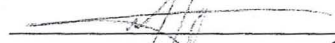
- 5.1 This Sixth Amendment supersedes and replaces any prior agreements or understandings with respect to any of the matters provided for herein.
- 5.2 This Sixth Amendment shall be deemed to have been made in the Province of Ontario and shall be governed by and interpreted in accordance with the laws of such Province and the laws of Canada applicable therein.
- 5.3 This Sixth Amendment may be executed in one or more counterparts, including by way of facsimile, .pdf or other electronic means, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- 5.4 The parties herein have expressly requested that this Sixth Amendment and all related documents be drawn up in the English language. *À la demande expresse des parties aux présentes, cette convention et tout document y afférent ont été rédigés en langue anglaise.*

[Signature page follows.]

The parties have executed this Sixth Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: 
Name: PAUL MILLER
Title: DIRECTOR

By: 
Name: MICHAEL SLOTTOR
Title: DIRECTOR

BRIDGING FINANCE INC., as agent

By: 
Name: Graham Ma
Title: Portfolio Manager

SEVENTH AMENDMENT TO LOAN AGREEMENT

EXECUTED by the parties hereto as of the 22nd day of November, 2018.

AMONG: SKYMARK FINANCE CORPORATION

(hereinafter, the “**Borrower**”)

AND: BRIDGING FINANCE INC., as agent

(the “**Lender**”)

WHEREAS the Borrower and the Lender have entered into a Letter Loan Agreement dated as of April 28, 2015, as amended pursuant to the First Amendment to Loan Agreement dated as of October 29, 2015, the Second Amendment to Loan Agreement dated as of December 14, 2015, the Third Amendment to Loan Agreement dated as of May 17, 2016, the Fourth Amendment to Loan Agreement dated as of October 4, 2016, the 4B Amendment to Loan Agreement dated as of May 15, 2017, the Fifth Amendment to Loan Agreement dated as of July 21, 2017, and the Sixth Amendment to Loan Agreement dated as of March 1, 2018 (including all annexes, exhibits and schedules thereto, and as the same may be further amended, modified, restated, supplemented or replaced from time to time, the “**Loan Agreement**”);

AND WHEREAS the parties hereto desire to effect certain amendments to certain provisions of the Loan Agreement, but, in each case, only to the extent and subject to the limitations set forth in this Seventh Amendment to Loan Agreement (hereinafter this “**Seventh Amendment**”);

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

- 1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

ARTICLE II – AMENDMENT

2.1 Increase of GM Foods Maximum Amount

Effective as of the date hereof, the GM Foods Maximum Amount of \$3,000,000 is hereby increased to \$5,000,000 during the term of the GM Foods Subfacility B.

2.2 Extension of Term of GM Foods Subfacility B

The Lender confirms that the GM Foods Subfacility B Maturity Date has been extended, and effective as of the date hereof, the term “GM Foods Subfacility B Maturity Date” is defined to mean “the earlier of demand, the maturity date of the GM Foods Facility, demand or acceleration of the GM Foods Facility, or January 31, 2019, subject to extension upon agreement of the Lender”.

2.3 Extension of Term of MVCI Subfacility A

The Lender confirms that the MVCI Subfacility A Maturity Date has been extended, and effective as of the date hereof, the term “MVCI Subfacility A Maturity Date” is defined to mean “the earlier of demand, the maturity date of the MVCI Facility, demand or acceleration of the MVCI Facility, or January 31, 2019, subject to extension upon agreement of the Lender”.

ARTICLE III – REAFFIRMATION OF OBLIGATIONS

3.1 The Borrower:

- (a) reaffirms its obligations under the Loan Agreement, and
- (b) confirms that its obligations remain in full force and effect with respect to the Loan Agreement,

in each case after giving effect to the amendments provided for herein.

ARTICLE IV – AMENDMENT FEE

- 4.1 In consideration of the amendments provided for herein, the Borrower shall pay to the Lender a fee of \$20,000 plus applicable taxes, which for greater certainty, shall be fully earned, due and payable as of the date hereof, in addition to any third party expenses incurred by the Lender in preparing this Seventh Amendment, including without limitation legal expenses, which for greater certainty shall be paid by the Borrower to the Lender forthwith upon demand therefor.

ARTICLE V – NO OTHER AMENDMENT

- 5.1 Except to the limited extent set forth herein no amendment, or waiver of any term, condition, covenant, agreement or any other aspect of the Loan Agreement is intended or implied.

ARTICLE VI – MISCELLANEOUS

- 6.1 This Seventh Amendment supersedes and replaces any prior agreements or understandings with respect to any of the matters provided for herein.
- 6.2 This Seventh Amendment shall be deemed to have been made in the Province of Ontario and shall be governed by and interpreted in accordance with the laws of such Province and the laws of Canada applicable therein.
- 6.3 This Seventh Amendment may be executed in one or more counterparts, including by way of facsimile, .pdf or other electronic means, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

- 6.4 The parties herein have expressly requested that this Seventh Amendment and all related documents be drawn up in the English language. *À la demande expresse des parties aux présentes, cette convention et tout document y afférent ont été rédigés en langue anglaise.*

[Signature page follows.]

The parties have executed this Seventh Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: 

Name: Michael Slattery

Title: President

By: 

Name: Paul Millar

Title: Secretary and Treasurer

BRIDGING FINANCE INC., as agent

By: _____

Name: Graham Marr

Title: Portfolio Manager

The parties have executed this Seventh Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: 

Name: Michael Slattery

Title: President

By: 

Name: Paul Millar

Title: Secretary and Treasurer

BRIDGING FINANCE INC., as agent

By: 

Name: Graham Marr

Title: Portfolio Manager

EIGHTH AMENDMENT TO LOAN AGREEMENT

EXECUTED by the parties hereto as of the 1st day of February, 2019.

AMONG: SKYMARK FINANCE CORPORATION

(hereinafter, the “**Borrower**”)

AND: BRIDGING FINANCE INC., as agent

(the “**Lender**”)

WHEREAS the Borrower and the Lender have entered into a Letter Loan Agreement dated as of April 28, 2015, as amended pursuant to the First Amendment to Loan Agreement dated as of October 29, 2015, the Second Amendment to Loan Agreement dated as of December 14, 2015, the Third Amendment to Loan Agreement dated as of May 17, 2016, the Fourth Amendment to Loan Agreement dated as of October 4, 2016, the 4B Amendment to Loan Agreement dated as of May 15, 2017, the Fifth Amendment to Loan Agreement dated as of July 21, 2017, the Sixth Amendment to Loan Agreement dated as of March 1, 2018, and the Seventh Amendment to Loan Agreement dated as of November 22, 2018 (including all annexes, exhibits and schedules thereto, and as the same may be further amended, modified, restated, supplemented or replaced from time to time, the “**Loan Agreement**”);

AND WHEREAS the parties hereto desire to effect certain amendments to certain provisions of the Loan Agreement, but, in each case, only to the extent and subject to the limitations set forth in this Eighth Amendment to Loan Agreement (hereinafter this “**Eighth Amendment**”);

AND WHEREAS the [REDACTED] Subfacility has been fully and finally repaid, and no further advances shall be made in connection with it.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

- 1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

ARTICLE II – AMENDMENT

2.1 Increase of Maximum Facility Amount

Effective as of the date hereof, the Maximum Facility Amount of \$14,500,000 is hereby increased to \$16,500,000.

2.2 Extension of Term

The Section of the Loan Agreement entitled “Term” is hereby deleted in its entirety and replaced with the following:

“**Term:** The earlier of demand and April 30, 2020 (the “**Term**”);

2.3 Extension of Term of GM Foods Subfacility B

The Lender confirms that the GM Foods Subfacility B Maturity Date has been extended, and effective as of the date hereof, the term “**GM Foods Subfacility B Maturity Date**” is defined to mean “the earlier of the maturity date of the GM Foods Facility, demand or acceleration of the GM Foods Facility, or April 30, 2020, subject to extension upon agreement of the Lender”.

2.4 Extension of Term of MVCI Subfacility A

The Lender confirms that the MVCI Subfacility A Maturity Date has been extended, and effective as of the date hereof, the term “**MVCI Subfacility A Maturity Date**” is defined to mean “the earlier of demand, the maturity date of the MVCI Facility, demand or acceleration of the MVCI Facility, or April 30, 2020, subject to extension upon agreement of the Lender”.

2.5 Establishment of New [REDACTED] Subfacility

The Loan Agreement is hereby amended by adding the following sections:

[REDACTED] Subfacility	<p>A subfacility (the “[REDACTED] Subfacility”) in the amount of CDN\$1,000,000 was established by the Lender in favour of the Borrower which facility was advanced in full on July 13, 2018 and shall be available through the earlier of demand, the maturity date of the [REDACTED] Mortgage (as defined herein), or April 30, 2020 (such earlier date the “[REDACTED] Subfacility Maturity Date”).</p> <p>Notwithstanding the section of the Loan Agreement entitled “Purpose”, the Borrower may only use the proceeds of the [REDACTED] Subfacility to immediately loan one million dollars (\$1,000,000) to a debtor entity (“[REDACTED] Obligor”) solely for the purpose of financing its acquisition of the lands and premises municipally known as [REDACTED], United Kingdom (the “[REDACTED] Property”), pursuant to the terms of a loan agreement to be entered into between the Borrower and the [REDACTED] Obligor in form and substance satisfactory to the Lender (the “Borrower [REDACTED] Loan”).</p> <p>The Borrower represents and warrants in favour of the Lender that the factual statements concerning the Borrower [REDACTED] Loan set out in this section are true. The [REDACTED] Subfacility shall be drawn in a single advance and may not, without the Lender’s prior written consent, be repaid and redrawn. For greater certainty any advance pursuant to the [REDACTED] Subfacility shall be a facility advance (as such term is used in this Agreement) and any such facility advance shall reduce the Facility Availability in an equal amount.</p>
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The [REDACTED] Subfacility shall be available to the Borrower, upon satisfaction of the following conditions:

1. the Lender's satisfaction, in its sole and absolute discretion, with: (i) the mortgage of real property taken by the Borrower over the [REDACTED] Property (the "[REDACTED] Mortgage") and the documentation ancillary thereto; (ii) the Borrower [REDACTED] Loan; (iii) its due diligence in respect of the [REDACTED] Property, the Borrower [REDACTED] Loan and the documentation ancillary thereto, including the terms of the Borrower's interest in the Borrower [REDACTED] Loan; and
2. evidence satisfactory to the Lender that the only condition to funding \$1,000,000 of the Borrower [REDACTED] Loan is funding by the Lender to the Borrower of the [REDACTED] Subfacility.

The Borrower agrees that:

1. it shall immediately give notice to the Lender of any termination of the Borrower [REDACTED] Loan, or any default or other breach by [REDACTED] Obligor in respect of the Borrower [REDACTED] Loan or the [REDACTED] Mortgage;
2. all proceeds that it receives in respect of the Borrower [REDACTED] Loan (including, without limitation any enforcement on any security relating thereto) shall be immediately provided to the Lender for application by the Lender to obligations owing by the Borrower in accordance with this Agreement; and
3. it shall not at any time assign, sell, transfer or grant any party other than the Lender any rights in or to the Borrower [REDACTED] Loan or the [REDACTED] Mortgage or any proceeds thereof.

The Borrower hereby collaterally transfers and assigns, and grants a security interest in, all right title and interest it has, or may, from time to time have, in the [REDACTED] Mortgage, the [REDACTED] Property and the Borrower [REDACTED] Loan to the Lender as security for the Borrower's obligations to and in favour of the Lender pursuant to this Agreement.

Without limiting any Event of Default, and notwithstanding any cure periods in this Loan Agreement, the following shall constitute additional immediate Events of Default, and shall not be subject to any cure period:

1. any failure by the Borrower to satisfy any obligation in this Section entitled "[REDACTED] Subfacility";
2. any breach by the [REDACTED] Obligor of the terms of the Borrower [REDACTED] Loan, the [REDACTED] Mortgage, or any agreement concerning the Borrower's participation in the Borrower [REDACTED] Loan or [REDACTED] Mortgage; and

	3. at any time the Borrower fails to be in a first ranking position in respect of the registrations relating to the ■■■ Mortgage.
Interest Rate on ■■■ Subfacility	Notwithstanding any other provisions of this Agreement, the ■■■ Subfacility shall, prior to an Event of Default, bear interest at an annual rate of Prime Rate plus 7.55% calculated on the outstanding amount thereof from and after the date of the advance of the ■■■ Subfacility and regardless of any amount actually advanced, compounded monthly, not in advance and with no deemed reinvestment of monthly payments.

ARTICLE III – REAFFIRMATION OF OBLIGATIONS

3.1 The Borrower:

- (a) reaffirms its obligations under the Loan Agreement, and
- (b) confirms that its obligations remain in full force and effect with respect to the Loan Agreement,

in each case after giving effect to the amendments provided for herein.

ARTICLE IV – NO OTHER AMENDMENT

- 4.1 Except to the limited extent set forth herein no amendment, or waiver of any term, condition, covenant, agreement or any other aspect of the Loan Agreement is intended or implied.

ARTICLE V – MISCELLANEOUS

- 5.1 This Eighth Amendment supersedes and replaces any prior agreements or understandings with respect to any of the matters provided for herein.
- 5.2 This Eighth Amendment shall be deemed to have been made in the Province of Ontario and shall be governed by and interpreted in accordance with the laws of such Province and the laws of Canada applicable therein.
- 5.3 This Eighth Amendment may be executed in one or more counterparts, including by way of facsimile, .pdf or other electronic means, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- 5.4 The parties herein have expressly requested that this Eighth Amendment and all related documents be drawn up in the English language. *À la demande expresse des parties aux présentes, cette convention et tout document y afférent ont été rédigés en langue anglaise.*

[Signature page follows.]

The parties have executed this Eighth Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: _____

Name: Michael Slattery

Title: President

By: _____

Name: Paul Milnar

Title: Secretary and Treasurer

BRIDGING FINANCE INC., as agent

By: _____

Name: Graham Marr

Title: Portfolio Manager

NINTH AMENDMENT TO LOAN AGREEMENT

EXECUTED by the parties hereto as of the 30th day of April, 2020.

AMONG: SKYMARK FINANCE CORPORATION
(the “**Borrower**”)

AND: BRIDGING FINANCE INC., as agent
(the “**Lender**”)

WHEREAS the Borrower and the Lender have entered into a Letter Loan Agreement dated as of April 28, 2015, as amended pursuant to the First Amendment to Loan Agreement dated as of October 29, 2015, the Second Amendment to Loan Agreement dated as of December 14, 2015, the Third Amendment to Loan Agreement dated as of May 17, 2016, the Fourth Amendment to Loan Agreement dated as of October 4, 2016, the 4B Amendment to Loan Agreement dated as of May 15, 2017, the Fifth Amendment to Loan Agreement dated as of July 21, 2017, the Sixth Amendment to Loan Agreement dated as of March 1, 2018, the Seventh Amendment to Loan Agreement dated as of November 22, 2018, and the Eighth Amendment to the Loan Agreement dated as of February 1, 2019 (including all annexes, exhibits and schedules thereto, and as the same may be further amended, modified, restated, supplemented or replaced from time to time, the “**Loan Agreement**”);

AND WHEREAS the parties hereto desire to effect certain amendments to certain provisions of the Loan Agreement, but, in each case, only to the extent and subject to the limitations set forth in this Ninth Amendment to Loan Agreement (hereinafter this “**Ninth Amendment**”);

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE I – INTERPRETATION

- 1.1 All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

ARTICLE II – AMENDMENT

2.1 Extension of Term

The section of the Loan Agreement entitled “Term” is hereby deleted in its entirety and replaced with the following:

“**Term:** The earlier of demand and April 30, 2022 (the “**Term**”);

2.2 Increase of Maximum Facility Amount

The Maximum Facility Amount of \$16,500,000 is hereby increased to \$18,500,000.

2.3 Increase of Facility Availability

Paragraph (i) of the section of the Loan Agreement entitled “Facility Availability” is hereby deleted in its entirety and replaced with the following:

“(i) 80% of outstanding principal amount of Eligible Consumer Loans; LESS”;

2.4 Definition of Eligible Consumer Loans

The definition of “Eligible Consumer Loans” in Schedule “A” of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

“**“Eligible Consumer Loans”** means Consumer Loans made by the Borrower to an individual (the “Consumer”), secured by a security interest in respect of the assets of such Consumer including the real property owned by such Consumer where the Financed Items of such Consumer are located (the “Applicable Real Property”), where a valid registration or notice on title has been made in favour of the Borrower on the title to the Applicable Real Property, but excluding rural loans where the loan to value is greater than 80%; loans that are either in power of sale proceedings or for which legal letters have been issued or other legal collection proceedings have been initiated; and loans for which a payment has not been received by the Borrower for the prior 45 days and for which payment arrangements satisfactory to the Lender have not been made, subject to a 50% allowance at the Lender’s discretion.”

2.5 Events of Default

The section of the Loan Agreement entitled “Events of Default” is hereby amended by adding in the following paragraph immediately following paragraph (xii) in such section:

“(xiii) if the aggregate Facility advances at any time exceed the Facility Availability, as evidenced by the most recent Borrowing Base Report;”

2.6 Term Loan

The section of the Loan Agreement entitled “Subfacility” is hereby deleted in its entirety and replaced with the following section:

Term Loan	<p>A term loan (the “Term Loan”) is established in favour of the Borrower in the amount of \$720,000, which was previously advanced to the Borrower and shall be available through the earlier of demand or April 30, 2022 (such earlier date, the “Term Loan Maturity Date”).</p> <p>The Term Loan may not, without the Lender’s prior written consent, be repaid or redrawn. For greater certainty the Term Loan</p>
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Term Loan shall not operate to reduce the Facility Availability.

The Borrower may only use proceeds of the [REDACTED] Term Loan to lend funds to [REDACTED] (“[REDACTED]”), which funds shall be immediately used by [REDACTED] to deposit with the Ontario Ministry of Finance (the “**Ministry**”) as security for [REDACTED] Tobacco Tax registration certificates and [REDACTED] ongoing tax obligations, only to be drawn in the event that [REDACTED] fails to make a required payment of taxes or permit fees (the “**[REDACTED] Deposit**”).

In connection with the loan of funds by the Borrower in favour of [REDACTED], the following documents have been executed and delivered: (i) a general security agreement taken by the Borrower over all personal property of [REDACTED] (the “**GSA**”), (ii) a mortgage of real property taken by the Borrower over the real property of [REDACTED] (the “**Mortgage**” and together with the GSA, the “**[REDACTED] Security**”); (iii) a loan agreement between the Borrower and [REDACTED] (the “**Borrower/[REDACTED] Loan**” and together with the [REDACTED] Security, the “**[REDACTED] Credit Documents**”); and (iv) all registrations of the Borrower over both the personal and real property of [REDACTED] (the “**[REDACTED] Collateral**”), showing the Borrower in a first ranking position.

The Borrower represents and warrants in favour of the Lender that the factual statements concerning the Borrower/[REDACTED] Loan set out in this section are true.

The Borrower agrees that:

1. it shall immediately give notice to the Lender of any draw on the [REDACTED] Deposit, any termination of the [REDACTED] Deposit, any default or other breach by [REDACTED] in respect of the [REDACTED] Deposit, or any breach by [REDACTED] in respect of the Borrower/[REDACTED] Loan; and
2. it shall not at any time assign, sell, transfer or grant to any party other than the Lender any rights in or to the [REDACTED] Credit Documents or any proceeds thereof.

Without limiting any Event of Default, and notwithstanding any cure periods in this Loan Agreement, the following shall each constitute an additional immediate Event of Default, and shall not be subject to any cure period:

1. any failure by the Borrower to satisfy any obligation in this Section entitled “**[REDACTED] Term Loan**”;

	<p>2. any breach by [REDACTED] of the terms of the Borrower/ [REDACTED] Loan; and</p> <p>3. at any time the Borrower fails to be in a first ranking position in respect of the registrations relating to the [REDACTED] Security.</p>
<p>Payments and Interest Rate on [REDACTED] Term Loan</p>	<p>Notwithstanding any other provisions of this Agreement, the [REDACTED] Term Loan shall, prior to an Event of Default, bear interest at an annual rate of Prime Rate plus 7.55% calculated on the outstanding amount thereof from and after the date of the advance of the [REDACTED] Term Loan and regardless of any amount actually advanced.</p> <p>Interest is calculated daily and compounded and payable monthly, not in advance, and shall be due and payable by 1:00pm on the last Business Day of each and every month during the Term. Monthly principal repayments in the amount of \$12,000 shall be due and payable by 1:00pm on the last Business Day of each and every month until the [REDACTED] Term Loan Maturity Date, at which time the [REDACTED] Term Loan shall be repayable in full.</p>

2.7 [REDACTED] Term Loan

The section entitled “[REDACTED] Subfacility” is hereby deleted in its entirety and replaced with the following section:

<p>[REDACTED] Term Loan</p>	<p>A term loan (the “[REDACTED] Term Loan”) is established in favour of the Borrower in the amount of \$1,350,000 (comprised of the principal amount of \$1,000,000 which was previously advanced to the Borrower and capitalized interest thereon in the amount of \$350,000), which shall be available through the earlier of demand, the maturity date of the [REDACTED] Mortgage (as defined herein), or April 30, 2022 (such earlier date the “[REDACTED] Term Loan Maturity Date”).</p> <p>The [REDACTED] Subfacility may not, without the Lender’s prior written consent, be repaid and redrawn. For greater certainty the [REDACTED] Term Loan shall not operate to reduce the Facility Availability.</p> <p>Notwithstanding the section of the Loan Agreement entitled “Purpose”, the Borrower may only use the proceeds of the [REDACTED] Term Loan to immediately loan one million dollars (\$1,000,000) to a debtor entity (“[REDACTED] Obligor”) solely for the purpose of financing its acquisition of the lands and premises municipally known as [REDACTED] United Kingdom (the “[REDACTED] Property”), pursuant to the terms of a loan agreement to be entered into between the Borrower and the [REDACTED] Obligor in form and substance</p>
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satisfactory to the Lender (the “**Borrower** [REDACTED] **Loan**”). The Borrower has taken a mortgage over the [REDACTED] Property (the “**Mortgage**”) and has provided the Lender with a copy of all documentation in connection with the Borrower [REDACTED] Loan, the [REDACTED] Mortgage, and the documentation ancillary thereto.

The Borrower represents and warrants in favour of the Lender that the factual statements concerning the Borrower [REDACTED] Loan set out in this section are true.

The Borrower agrees that:

1. it shall immediately give notice to the Lender of any termination of the Borrower [REDACTED] Loan, or any default or other breach by [REDACTED] Obligor in respect of the Borrower [REDACTED] Loan or the [REDACTED] Mortgage;
2. all proceeds that it receives in respect of the Borrower [REDACTED] Loan (including, without limitation any enforcement on any security relating thereto) shall be immediately provided to the Lender for application by the Lender to obligations owing by the Borrower in accordance with this Agreement; and
3. it shall not at any time assign, sell, transfer or grant any party other than the Lender any rights in or to the Borrower [REDACTED] Loan or the [REDACTED] Mortgage or any proceeds thereof.

The Borrower hereby collaterally transfers and assigns, and grants a security interest in, all right title and interest it has, or may, from time to time have, in the [REDACTED] Mortgage, the [REDACTED] Property and the Borrower [REDACTED] Loan to the Lender as security for the Borrower’s obligations to and in favour of the Lender pursuant to this Agreement.

Without limiting any Event of Default, and notwithstanding any cure periods in this Loan Agreement, the following shall constitute additional immediate Events of Default, and shall not be subject to any cure period:

1. any failure by the Borrower to satisfy any obligation in this Section entitled “[REDACTED] Term Loan”;
2. any breach by the [REDACTED] Obligor of the terms of the Borrower [REDACTED] Loan, the [REDACTED] Mortgage, or any agreement concerning the Borrower’s participation in the Borrower [REDACTED] Loan or [REDACTED] Mortgage; and

	3. at any time the Borrower fails to be in a first ranking position in respect of the registrations relating to the ■■■ Mortgage.
Payments and Interest Rate on ■■■ Term Loan	Notwithstanding any other provisions of this Agreement, the ■■■ Term Loan shall, prior to an Event of Default, bear interest at an annual rate of Prime Rate plus 7.55% calculated on the outstanding amount thereof from and after the date of the advance of the ■■■ Term Loan and regardless of any amount actually advanced. Interest is calculated daily and compounded and payable monthly, not in advance, and shall be due by 1:00pm on the last Business Day of each and every month during the Term. Monthly principal repayments in the amount of \$16,000 shall be due and payable by 1:00pm on the last Business Day of each and every month until the ■■■ Term Loan Maturity Date, at which time the ■■■ Term Loan shall be repayable in full.

2.8 Tangible Net Worth Covenant

Paragraph (iv) of the section of the Loan Agreement entitled “Covenants” is hereby amended by deleting the reference to “greater than \$3,000,000” and replacing such reference with “greater than \$9,000,000”.

ARTICLE III – REAFFIRMATION OF OBLIGATIONS

3.1 The Borrower:

- (a) reaffirms its obligations under the Loan Agreement, and
- (b) confirms that its obligations remain in full force and effect with respect to the Loan Agreement,

in each case after giving effect to the amendments provided for herein.

ARTICLE IV – AMENDMENT FEE

- 4.1 In consideration of the amendments provided for herein, the Borrower shall pay to the Lender a fee of \$100,000 plus applicable taxes, which for greater certainty, shall be fully earned, due and payable within thirty (30) days of the date hereof, in addition to any third party expenses incurred by the Lender in preparing this Ninth Amendment, including without limitation legal expenses, which for greater certainty shall be paid by the Borrower to the Lender forthwith upon demand therefor.

ARTICLE V – NO OTHER AMENDMENT

- 5.1 Except to the limited extent set forth herein no amendment, or waiver of any term, condition, covenant, agreement or any other aspect of the Loan Agreement is intended or implied.

ARTICLE VI – MISCELLANEOUS

- 6.1 This Ninth Amendment supersedes and replaces any prior agreements or understandings with respect to any of the matters provided for herein.
- 6.2 This Ninth Amendment shall be deemed to have been made in the Province of Ontario and shall be governed by and interpreted in accordance with the laws of such Province and the laws of Canada applicable therein.
- 6.3 This Ninth Amendment may be executed in one or more counterparts, including by way of facsimile, .pdf or other electronic means, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- 6.4 The parties herein have expressly requested that this Ninth Amendment and all related documents be drawn up in the English language. *À la demande expresse des parties aux présentes, cette convention et tout document y afférent ont été rédigés en langue anglaise.*

[Signature page follows.]

The parties have executed this Ninth Amendment as of the date first above written.

SKYMARK FINANCE CORPORATION

By: 

Name: Michael Slattery

Title: President

By: 

Paul Millar (Apr 28, 2021 20:03 EDT)

Name: Paul Millar

Title: Secretary and Treasurer

BRIDGING FINANCE INC., as agent

By: 

Graham Marr (Apr 29, 2021 15:46 EDT)

Name: Graham Marr

Title: Portfolio Manager









Ninth Amendment to Credit Agreement-1

Final Audit Report

2021-04-29

Created:	2021-04-28
By:	Bruno Novo (bnovo@bridgingfinance.ca)
Status:	Signed
Transaction ID:	CBJCHBCAABAAx-pJZIL61gMa9C2ngweIR9-P7SPa1Rbl

"Ninth Amendment to Credit Agreement-1" History

-  Document created by Bruno Novo (bnovo@bridgingfinance.ca)
2021-04-28 - 11:59:19 PM GMT- IP address: 69.90.18.133
-  Document emailed to Paul Millar (paul@yorklondon.com) for signature
2021-04-29 - 0:00:01 AM GMT
-  Email viewed by Paul Millar (paul@yorklondon.com)
2021-04-29 - 0:02:47 AM GMT- IP address: 174.119.246.91
-  Document e-signed by Paul Millar (paul@yorklondon.com)
Signature Date: 2021-04-29 - 0:03:20 AM GMT - Time Source: server- IP address: 174.119.246.91
-  Document emailed to Graham Marr (gmarr@bridgingfinance.ca) for signature
2021-04-29 - 0:03:22 AM GMT
-  Email viewed by Graham Marr (gmarr@bridgingfinance.ca)
2021-04-29 - 0:18:25 AM GMT- IP address: 99.239.132.84
-  Document e-signed by Graham Marr (gmarr@bridgingfinance.ca)
Signature Date: 2021-04-29 - 7:46:42 PM GMT - Time Source: server- IP address: 99.239.132.84
-  Agreement completed.
2021-04-29 - 7:46:42 PM GMT

This is Exhibit "E" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'AD', is written over a horizontal line.

A Commissioner for taking affidavits

ADAM DRIEDGER

July 7th, 2017

Skymark Finance Corporation
46 Village Centre Place, 3rd Floor
Mississauga, ON L4Z 1V9

Dear Sirs/Mesdames:

**Re: Bridging Finance Inc., as agent for Sprott Bridging Income Fund LP (the “Lender”)
Credit Facilities in Favour of Skymark Finance Corporation (the “Borrower”)**

The Lender is pleased to offer the credit facilities (each a “**Facility**”; and collectively, the “**Facilities**”) described in this letter credit agreement (as may be amended, restated, supplemented, extended or replaced from time to time, the “**Agreement**”) subject to the terms and conditions set forth herein including, without limitation, the satisfactory completion of due diligence. Unless otherwise indicated, all amounts are expressed in Canadian currency. All capitalized terms not otherwise defined in the body of this Agreement shall have the meanings ascribed thereto in **Schedule “A”**.

Borrower: Skymark Finance Corporation

Facility:

- (i) Demand operating loan of up to \$2,000,000 based on the Facility Loan Availability as defined below (the “**Facility A Loan**”); the Borrower may request advances as a sublimit under this facility in United States dollars, subject to the following:
 - (a) such advances shall not exceed the aggregate maximum principal amount of US\$1,000,000 at any time; and
 - (b) such advances shall be subject to the same interest rate and, for greater certainty, all other terms and conditions applicable to all other advances under this facility;
- (ii) Demand operating loan of up to \$5,000,000 based on the Facility Loan Availability as defined below (the “**Facility B Loan**”);
- (iii) Demand term fixed asset loan of up to \$5,000,000 (the “**Facility C Loan**”); and
- (iv) Demand term loan of up to \$9,000,000 (inclusive of any demand loan made by the Lender to the Borrower pursuant to a demand promissory note prior to the date hereof in respect of the deposit provided by [REDACTED] (“**PurchaseCo**”) (in connection with the Acquisition (as defined below) (the

“Facility D Loan”).

Purpose: To finance the credit facilities provided by the Borrower to PurchaseCo in connection with the acquisition of certain assets of [REDACTED] and [REDACTED] (the “**Acquisition**”) and to support the working capital needs of PurchaseCo thereafter.

Term: The earlier of demand and June 30, 2020 (the “**Term**”).

Facility Loan Availability: The maximum amount that shall be available under the Facility A Loan and the Facility B Loan at any time and from time to time will, subject to the maximum amount of \$7,000,000, to be determined by the Lender, commencing 90 days from the date hereof, once each week (or more frequently as determined by the Lender) and will be limited during such week (or other period as aforesaid) in accordance with the following formula (the “**Facility Loan Availability**”): the aggregate of:

- (i) Accounts Receivable: Up to 90% of the net (satisfactory to the Lender) eligible insured or investment grade accounts receivable and up to 85% of the net eligible non-insured accounts receivable of PurchaseCo. The Lender will determine eligibility in its reasonable credit discretion. General eligibility criteria will include the requirement that eligible accounts receivable be less than 90 days past the original invoice date but no more than 60 days past due date. In addition, eligible accounts will exclude (among other things as determined by the Lender in its reasonable credit discretion) accounts of an account debtor if 50% or more of the accounts owing from such account debtor are past due, any account that is an obligation for which the total unpaid accounts of the specific account debtor exceed 25% of the aggregate of all gross accounts as related to eligible accounts receivable, except those accounts approved in advance or of investment quality, to the extent of such excess, foreign accounts not backed by letters of credit or acceptable credit insurance, bill and hold, the amount of any contras, inter-company receivables and amounts due from affiliated or associated companies, government receivables which are not fully assignable to the Lender and enforceable against such government entity or body, disputed and doubtful accounts, progress billings (except where the receivables are in respect of billings approved by the account debtor in writing or are insured satisfactory to the Lender), pre-billed accounts, accounts which have not been credit approved by the Lender, and other accounts at the Lender’s discretion. Any exceptions to the foregoing will be considered by the

Lender in its sole discretion as and when required. The advance rates are subject to a dilution test as determined by the Lender; **PLUS**

- (ii) Inventory: Up to the lesser of (A) 85% of the net orderly liquidation value of eligible inventory of PurchaseCo (as determined by an appraiser satisfactory to the Lender in its reasonable credit discretion); and (B) 60% of the cost (calculated on a first in-first out basis) of eligible inventory of PurchaseCo. The Lender will determine eligibility in its reasonable credit discretion. General eligibility criteria will exclude pallets, dividers, packaging, supplies, containers and canning inventory, aged inventory, work-in-process inventory and other inventory deemed not saleable by the Lender; **LESS**
- (iii) the amount of the Facility A Loan and the Facility B Loan (including principal, interest, costs, fees and expenses) then outstanding, together with all amounts owing by the Borrower to the Lender under this Agreement or under any other agreement or instrument; **LESS**
- (iv) reserves, determined by the Lender in its reasonable credit discretion, in respect of actual and/or potential Priority Claims and/or Statutory Encumbrances, liquidation expenses and any other reserves in respect of the Borrower and PurchaseCo, determined from time to time by the Lender in its reasonable credit discretion.

On a Business Day in each week as determined by the Lender (the “**Report Day**”), prior to 1:00 p.m. ET, the Borrower will provide a report, commencing 90 days from the date hereof, (a “**Weekly Borrowing Base Report**”) to the Lender (in such form and together with any back-up materials as the Lender shall reasonably require) providing, as at the end of the preceding week, a listing of all of the accounts receivable, accounts payable, work in progress, details regarding purchase orders and contracts, details of any then existing or potential Priority Claims, the amount of the requested Facility A Loan and/or Facility B Loan advance to be made hereunder, and any other information that may be reasonably required by the Lender in respect of the Borrower and/or PurchaseCo. The Lender shall, upon receipt of such report, calculate the then existing Facility Loan Availability and advise the Borrower accordingly.

**Facility A Loan and
Facility B Loan
Advances:**

Facility A Loan and/or Facility B Loan advances to be made hereunder shall be the lesser of the Borrower’s requested advance in its Weekly Borrowing Base Report and the then Facility Loan Availability and will, less any amounts to be deducted therefrom as

provided for hereunder, be deposited into the Borrower's Disbursement Accounts or as directed in writing by the Borrower. To the extent the Facility A Loan and/or Facility B Loan advances and amounts owing in respect of Facility A Loan and Facility B Loan at any time exceeds the amount of the Facility Loan Availability, the Borrower shall forthwith pay to the Lender an amount equal to such excess.

Provided that no Event of Default has occurred which has not been waived in writing by the Lender, demand has not been made by Lender, the Lender has received all fees payable at such time hereunder, and that at the time the advance is to be made the conditions contained in this Agreement have been satisfied, Facility A Loan advances to be made hereunder shall, provided that the request is contained in a Weekly Borrowing Base Report, commencing 90 days from the date hereof, and that such Weekly Borrowing Base Report is received by the Lender prior to 1:00 p.m. on the Report Day, be made no later than the close of business on the next second Business Day.

**Facility C Loan and
Facility D Loan
Advance:**

Provided that no Event of Default has occurred which has not been waived in writing by the Lender, demand has not been made by Lender, the Lender has received all fees payable at such time hereunder, and that at the time the advance is to be made the conditions contained in this Agreement have been satisfied, Facility C Loan advance by way of single advance, and Facility D Loan advance by way of a single advance, less, without duplication in respect of the Facility A Loan and/or Facility B Loan, reserves as determined by the Lender in its reasonable credit discretion, in respect of actual and/or potential Priority Claims and/or Statutory Encumbrances and/or liquidation expenses in respect of the Borrower and/or PurchaseCo. Any unutilized portion of the Facility C Loan or Facility D Loan which has not been advanced at closing shall be automatically terminated.

**Interest Rate on
Facilities and Fees:**

Interest on Facilities: Interest at the rate of 10.00% per annum calculated on the daily outstanding balance of each Facility and compounded monthly, not in advance and with no deemed reinvestment of monthly payments. On the occurrence of an Event of Default or demand by Lender, interest shall be calculated at an annual rate of 21% per annum calculated and compounded as aforesaid.

Expenses: The Borrower shall pay all fees and expenses plus all applicable taxes (including, but not limited to, all due diligence, consultant, field examination and appraisal costs, all fees and expenses for outside legal counsel and other outside professional advisors and the time spent by the Lender and its representatives in retaking, holding, repairing, processing and preparing for disposition and

disposing of the Security calculated at the Lender's standard per diem rate in effect at such applicable time and established by the Lender in its sole discretion for internal personnel of the Lender) incurred by the Lender in connection with the preparation, registration and ongoing administration of this Agreement and the Security and with the enforcement of the Lender's rights and remedies under this Agreement or the Security, whether or not any amounts are advanced under this Agreement. If the Lender has paid any expense plus all applicable taxes for which the Lender is entitled to reimbursement from the Borrower and such amount has not been deducted from the advance of any Facility, such amount shall be payable by the Borrower within fifteen (15) days following demand for payment and in the event that the Borrower does not pay such amount to the Lender within the fifteen (15) day period, interest shall accrue on such amount at the highest rate payable by the Borrower under this Agreement. All such amounts and interest thereon shall be secured by the Security whether or not any funds under the Facility are advanced.

Payments:

Without limiting the right of the Lender to at any time demand repayment and subject to and in addition to the requirement for indefeasible repayment in full pursuant to this Agreement, interest only at the aforesaid rate, calculated daily and compounded and payable monthly, not in advance on the outstanding amount of the Facility A Loan and Facility B Loan, shall be due and payable on the last Business Day of each and every month during the Term. In addition, until the earliest of: (a) demand; (b) an Event of Default; and (c) the expiry of the Term, Facility C Loan shall be repaid in full on the expiry of the Term and Facility D Loan shall be repaid, by way of consecutive equal annual payments of principal only to be based on a 4 year amortization period, based on the principal amount of the Facility D Loan on the anniversary date of each year from June 30, 2017, to be calculated and payable on each such date during the Term.

Prepayment:

Each Facility can be repaid in full or in part at any time without any fee or penalty upon 90 days prior written notice to the Lender.

Cash Management Systems:

- (i) The Borrower shall establish, within 30 days of the date hereof, and shall continue to maintain at all times thereafter, at their expense, blocked deposit accounts (collectively, the "**Blocked Account**") at BMO into which they shall promptly deposit with respect to Borrower and/or PurchaseCo all funds received from all sources including, without limitation, all account receivable payments, proceeds of all sales, cash sales receipts, credit card payments, any and all refunds received from any source whatsoever and any proceeds of any advances or other loans made to it and shall direct its account debtors that remit payments by electronic funds transfers to directly

remit all payments into the Blocked Account.

- (ii) Within 30 days of the date hereof, BMO, the Lender, PurchaseCo and the Borrower shall enter into an agreement (the “**Blocked Account Agreement**”), in form and substance satisfactory to the Lender acting reasonably, providing that all funds received or deposited in the Blocked Account are the property of the Lender, that BMO has no Lien upon, or right to set off against, the Blocked Account, the items received for deposit therein, or the funds from time to time on deposit therein and that BMO will wire, or otherwise transfer, in immediately available funds, on a daily basis, all funds received or deposited into the Blocked Account to the Lender’s account, as the Lender may from time to time designate for such purpose. The Borrower agrees that all payments made to the Blocked Account or other funds received and collected by the Lender, shall be property of the Lender. The Borrower hereby acknowledges, confirms and agrees that the Lender shall have the contractual right to continue to apply the contemplated cash management arrangements contemplated herein notwithstanding any default, termination or non-renewal of this Agreement or any of the Facilities contemplated herein or any stay of proceedings or filing under any applicable insolvency statute and/or Applicable Law as a matter of, and shall be considered and deemed to be a matter of, replacing and monitoring the Lender’s Collateral and not as an enforcement of any of their Security or Liens.
- (iii) The Borrower and its affiliates, subsidiaries, officers, employees, agents, directors, shareholders or other persons (a “**related person**”) shall, acting as trustee for the Lender, receive, as the property of the Lender, any monies, cheques, notes, drafts or any other payment which comes into the possession or under their control or, in the case of any related person, comes into its possession or under its control and is rightfully that of the Borrower, and immediately upon receipt thereof where received by any of them or upon becoming aware of the receipt thereof where received by a related person, the Borrower shall deposit or shall cause the same to be deposited in the Blocked Account, or remit the same or cause the same to be remitted, in kind, to the Lender. In no event shall the same be commingled with any of the Borrower’s own funds. The Borrower agrees to reimburse the Lender on demand for any amounts owed or paid to BMO regarding the Blocked Account or any other bank or person involved in the transfer of funds to or from such Blocked Account arising out of the Lender’s payments to or indemnification of such bank or

person.

- (iv) The Lender shall apply amounts received from the Blocked Account to the Facilities as it sees fit in its reasonable credit discretion.
- (v) The Borrower shall make all of its payments and disbursements only from its Disbursement Accounts.
- (vi) The Borrower and BMO shall make the necessary arrangements to provide view only electronic access to the Disbursement Accounts to the Lender.

Conditions Precedent: The availability of the Facilities is subject to and conditional upon the following conditions:

- (i) satisfactory completion of due diligence and continual due diligence, including the Lender's review of the operations of the Borrower and PurchaseCo and their business and financial plans;
- (ii) satisfactory completion of the Lender's legal due diligence;
- (iii) receipt of a duly executed copy of the applicable asset purchase agreement and related documents relating to PurchaseCo, a court approval and vesting order relating to PurchaseCo, this Agreement and the Security, all in form and substance satisfactory to the Lender and its legal counsel, registered as required to perfect and maintain the security created thereby and such certificates, acknowledgements, consents, estoppels, postponements, intercreditor or priority agreements, waivers, directions, stock transfers, statutory declarations, undertakings, negative pledges, authorizations, resolutions and legal opinions as the Lender may reasonably require including an opinion from the Borrower's counsel with respect status and the due authorization, execution, delivery, validity and enforceability of this Agreement and the Security;
- (iv) the discharge or subordination or assignment, as applicable, of any and all existing security against the Borrower as may be required by the Lender;
- (v) payment of all fees owing to the Lender hereunder;
- (vi) within 30 days of the date hereof, the Borrower shall have opened the Blocked Account at BMO and shall have entered into the Blocked Account Agreement;

- (vii) delivery of appraisals relating to PurchaseCo's real property and equipment prepared by appraisers satisfactory to the Lender;
- (viii) delivery of such financial and other information or documents relating to the Borrower and PurchaseCo as the Lender may require;
- (ix) no event shall have occurred and no circumstance shall exist which has not been waived, which constitutes an Event of Default in respect of any material commitment, agreement or any other instrument to which the Borrower is a party or is otherwise bound, entitling any other party thereto to accelerate the maturity of amounts of principal owing thereunder or terminate any such material commitment, agreement or instrument which would have a material adverse effect upon the financial condition, property, assets, operation or business of the Borrower or PurchaseCo; and
- (x) no event that constitutes, or with notice or loss of time or both, would constitute an Event of Default shall have occurred.

Each of the following is a condition precedent to any subsequent advance to be made hereunder:

- (i) all of the conditions contained in this Agreement shall have been satisfied and shall as at the time of the making of the subsequent advance in question continue to be satisfied;
- (ii) all of the representations and warranties herein are true and correct on and as of such date as though made on and as of such date other than those representations and warranties which relate to a specific date which shall continue to be true as of such date;
- (iii) no event or condition has occurred, or would result from such advance, which constitutes or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or of the Security;
- (iv) such borrowing will not violate any Applicable Law (which for the purposes of this Agreement means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction then in effect) and there shall have

been no investigation, notice or recall from any governmental agency or body, including, without limitation, the Canadian Food Inspection Agency and the Ontario Farm Products Licensing Commission in respect of the Borrower and/or PurchaseCo;

- (v) no Event of Default shall have occurred which has not been waived in writing by Lender; and
- (vi) no other event shall have occurred that, in the Lender's reasonable credit discretion, materially adversely affects or could materially adversely affect either: (i) the business, assets, liabilities, prospects, financial condition or operations of the Borrower or PurchaseCo, or (ii) the value of the Collateral; or (iii) the ability of the Lender to receive indefeasible repayment in full.

The making of an advance hereunder without the fulfillment of one or more conditions set forth in this Agreement shall not constitute a waiver of any such condition, and the Lender reserves the right to require fulfillment of such condition in connection with any subsequent advance.

Nothing in this Agreement creates a legally binding obligation on the Lender to advance any amount under any Facility at any time unless the Lender is completely satisfied in its sole discretion that the Borrower is in compliance with every provision of this Agreement and that no fact exists or event has occurred which changes the manner in which the Lender previously evaluated the risks inherent in advancing amounts to the Borrower under any Facility, whether or not the Lender was or should have been aware of such facts or events differently at any time.

All amounts under the Facilities are repayable immediately on demand by Lender whether or not there is an Event of Default, and the Facilities may be terminated in whole or in part by Lender at any time in its absolute and sole discretion.

Covenants:

The Borrower covenants and agrees with the Lender, while this Agreement is in effect to:

- (i) pay all sums of money and all Priority Claims when due or arising therefrom;
- (ii) provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default hereunder or the credit agreement with PurchaseCo, a breach of any covenant or other

term or condition of this Agreement or of any of the Security given in connection therewith;

- (iii) use the proceeds of the Facilities for the purposes provided for herein;
- (iv) continue to carry on business in the nature of or related to the business transacted prior to the date hereof in the name and for the account of the Borrower;
- (v) within 90 days from the date hereof, keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
- (vi) ensure all assets secured by the Security are in existence and in the possession and control of the Borrower;
- (vii) not sell, transfer, assign, gift, convey, lease or otherwise dispose of or further encumber any of its properties or assets other than Permitted Encumbrances or permit any reorganization or change of control of the Borrower;
- (viii) not sell, transfer, convey, encumber or otherwise dispose of any of its capital stock or permit any reorganization or change of control of the Borrower;
- (ix) not purchase or redeem its shares or otherwise reduce its capital;
- (x) not declare or pay any dividends or repay any shareholders' loans, interest thereon or issue share capital or make any other gift or other form of distribution whatsoever;
- (xi) not make loans or advances (excluding for greater certainty, salaries and bonuses payable in the ordinary course of business and consistent with past practice) to, or enter into any related party sales or other transactions which are not on arms' length terms with, or make any investments in any, shareholders, directors, officers, subsidiaries, affiliated companies or any other related or associated party of the Borrower, or assume or permit to exist any further indebtedness not existing on the date hereof other than in respect of Permitted Encumbrances;
- (xii) permit the Lender or its representatives, at any time and from time to time with such frequency as the Lender, in its sole discretion, may require, to visit and inspect any premises, properties and assets and to examine and obtain copies of the records or other information and discuss business affairs with

Canada Revenue Agency, the Canadian Food Inspection Agency, the Ontario Farm Products Licensing Commission, any other licensing or governmental body the auditors, and counsel and other professional advisors of the Borrower, all at the reasonable expense of the Borrower;

- (xiii) forthwith notify the Lender of the particulars of any occurrence which constitutes an Event of Default hereunder or of any action, suit or proceeding, pending or to the Borrower's knowledge threatened against them;
- (xiv) in a form and manner prescribed by the Lender (which may include by fax and/or e-mail), commencing 90 days after the date hereof, deliver to the Lender the following in respect of the Borrower and/or PurchaseCo, signed by a senior officer of the Borrower:
 - (a) weekly by Friday of each week, a list of total invoiced sales completed during the preceding week and a list of credit notes and cash receipts received from customers during the preceding week (Saturday to Friday inclusive);
 - (b) weekly by Friday of each week, the daily invoice register, credit note register and cash receipts register in respect of the preceding week (Saturday to Friday inclusive);
 - (c) weekly, by Friday of each week in respect of the preceding week (Saturday to Friday inclusive), an aged accounts receivable schedule, aged accounts payable schedule (including work in progress and related written approvals), inventory schedule and summary trial balance;
 - (d) monthly, by the end of each calendar month, a compliance certificate in form satisfactory to the Lender;
 - (e) monthly, by the end of each calendar month in respect of the preceding month, internally prepared financial statements for the preceding month and internally prepared financial statements for the year to date;
 - (f) monthly bank statements for all bank accounts within 15 days of its month-end;
 - (g) monthly, by the 10th of each calendar month in respect

of the preceding month proof of payments, in a form satisfactory to the Lender, of Priority Claims;

- (h) annually, no later than 30 days following the end of the financial year, financial and business projections for the following financial year; and
- (i) annually, within 120 days of the financial year end in respect of the preceding financial year, audited financial statements that were prepared by external auditors;
- (xv) at any and all times provide the Lender with such financial information with respect to Borrower and PurchaseCo as and when requested by the Lender;
- (xvi) file all tax returns which the Borrower must file from time to time, to pay or make provision for payment of all taxes (including interest and penalties) and other potential preferred claims which are or will become due and payable and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
- (xvii) not make capital expenditures in any financial year with any advances from any of the Facilities without the written consent of the Lender, with any capital expenditures to be reported monthly;
- (xviii) not grant, create, assume or suffer to exist any mortgage, charge, Lien, pledge, security interest, including a purchase money security interest, or other encumbrance affecting any of the Borrower's properties, assets or other rights except for Permitted Encumbrances in existence, known to and approved by the Lender as the date hereof or from time to time;
- (xix) not grant a loan or make an investment in or provide financial assistance to a third party (including any related party) by way of a suretyship, guarantee or otherwise;
- (xx) not change its name, merge, amalgamate or otherwise enter into any other form of business combination with any other entity without the prior written consent of the Lender;
- (xxi) keep the Collateral fully insured against such perils and in such manner as would be customarily insured by companies carrying on a similar business or owning similar assets naming the Lender as first loss payee and first mortgagee with respect to the personal property Collateral and second loss payee and

mortgagee with respect to the real property Collateral with a standard mortgage clause in favour of Lender and with the Lender added as an additional insured and to ensure all assets secured by the Security are in existence and in the possession and control of PurchaseCo; and

- (xxii) comply with all the Applicable Laws, including without limitation, regarding food safety and food production, processing, purchasing, growing, labelling, marketing, selling, health, environmental and other laws and regulations; to advise the Lender promptly of any actions, investigations, audits, requests or violation notices or orders received from any government or regulatory authority concerning the Borrower's and/or PurchaseCo's operations, including without limitation, any product recalls; and to indemnify and hold the Lender harmless from all liability of loss as a result of any non-compliance with such Applicable Laws.

Security and other Requirements:

As general and continuing collateral security for the performance by the Borrower of all of its obligations, present and future, to the Lender, including, without limitation, the repayment of advances granted hereunder and the payment of interest, fees and any other amounts provided for hereunder and under the security documents, the Borrower undertake to grant to the Lender and to maintain at all times the following security in form satisfactory to the Lender (the "**Security**"), in accordance with the forms in use by the Lender or as prepared by its solicitors:

- (i) **[intentionally deleted]**
- (ii) **[intentionally deleted]**
- (iii) a postponement and subordination of all directors, officers, shareholders, non-arm's length creditors and other related party loans, to include a postponement of the right to receive any payments of both principal and interest under such loans;
- (iv) **[intentionally deleted]**
- (v) **[intentionally deleted]**
- (vi) a collateral assignment of material agreements in respect of any and all loan and security documents relating to the Borrower's lending arrangements with PurchaseCo; and
- (vii) such other security as may be required by the Lender.

Events of Default:

Without limiting any other rights of the Lender under this Agreement, including the right to demand repayment of the Facilities at any time and for whatever reason, which Facilities are made available at the sole and absolute discretion of the Lender, if any one or more of the following events (an “**Event of Default**”) has occurred which have not been waived in writing by the Lender:

- (i) the Borrower fails to pay when due any principal, interest, fees or other amounts due under this Agreement or under any of the Security;
- (ii) the Borrower breaches any provision of this Agreement or any of the Security or any other agreement with the Lender;
- (iii) the Borrower is in default under the terms of any other contracts, agreements or otherwise with any other creditor;
- (iv) the Lender receives from any present or future guarantor a notice proposing to terminate, limit or otherwise modify such guarantor’s liability under its guarantee of the Borrower’s indebtedness to the Lender under the Facilities or under a security document or under any other document in favour of the Lender;
- (v) the Borrower ceases or threatens to cease to carry on business in the ordinary course;
- (vi) any default or failure by the Borrower to make any payment of, wages or other monetary remuneration payable to its employees under the terms of any contract of employment, oral or written, express or implied;
- (vii) any default or failure by the Borrower or PurchaseCo to keep current all amounts owing to parties other than the Lender who, in the Lender’s sole opinion, have or could have a Lien in the Collateral which, in the Lender’s sole opinion would or could constitute a Priority Claim;
- (viii) any breach by a guarantor of the provisions of any guarantee or other security, undertaking or covenant given to the Lender to secure any guarantee;
- (ix) if any representation or warranty made or deemed to have been made herein or in any certificate or the Security provided for herein shall be false or inaccurate;
- (x) if, in the reasonable opinion of the Lender, there is a Material Adverse Change including, without limitation, any

investigation, audit, recall, notice or order of any applicable government agency or body in respect of the Borrower or PurchaseCo;

- (xi) the Borrower is unable to pay its debts as such debts become due, or is adjudged or declared to be or admit to being bankrupt or insolvent;
- (xii) any judgment or award is made against the Borrower which may have a Material Adverse Effect in respect of which there is not an appeal or proceeding for review being diligently pursued in good faith and in respect of which adequate provision has been made on the books of the Borrower; or
- (xiii) any notice of intention is filed or any voluntary or involuntary case or proceeding filed or commenced for:
 - (a) the bankruptcy, liquidation, winding-up, dissolution or suspension of general operations of the Borrower;
 - (b) the composition, rescheduling, reorganization, arrangement or readjustment of, or other relief from, or stay of proceedings to enforce, some or all of the debts of the Borrower;
 - (c) the appointment of a trustee, receiver, receiver and manager, liquidator, administrator, custodian or other official for, all or any significant part of the assets of the Borrower;
 - (d) the possession, foreclosure, retention, sale or other disposition of, or other proceedings to enforce security over, all or any significant part of the Collateral; or
 - (e) any secured creditor, encumbrancer or lienor, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lienor, takes possession of or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or any significant part of the Collateral or gives notice of its intention to do any of the foregoing;

then, in such event, the Lender may, by written notice to the Borrower declare all monies outstanding under the Facilities to be immediately due and payable. Upon receipt of such written notice, the Borrower shall immediately pay to the Lender all monies outstanding under the

Facilities and all other obligations of the Borrower to the Lender in connection with the Facilities under this Agreement. The Lender may enforce its rights to realize upon its security and retain an amount sufficient to secure the Lender for the Borrower's Obligations to the Lender.

Nothing contained in this Section shall limit any right of the Lender under this Agreement to demand payment of the Facilities at any time in its absolute and sole discretion.

**Evidence of
Indebtedness:**

The Lender shall maintain records evidencing the Facilities. The Lender shall record the principal amount of the Facilities, the payment of principal and interest on account of the Facilities, and all other amounts becoming due to the Lender under this Agreement.

The Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender pursuant to this Agreement.

**Representations and
Warranties:**

The Borrower represents and warrants to the Lender that:

- (i) the Borrower is a corporation duly incorporated, validly existing and duly registered or qualified to carry on business in the Province of Ontario or any other jurisdiction where they may carry on business;
- (ii) the execution, delivery and performance by the Borrower of this Agreement has been duly authorized by all necessary actions and do not violate the constating documents or any Applicable Laws or agreements to which the Borrower are subject or by which they are bound;
- (iii) the Borrower's financial statements most recently provided to the Lender fairly present their financial positions as of the date thereof and its results of operations and cash flows for the fiscal period covered thereby, and since the date of such financial statements, there has occurred no Material Adverse Change in the Borrower's business or financial condition;
- (iv) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against the Borrower or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any environmental law which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any of the Security, and there are no circumstances of which any of them is aware which might give

rise to any such proceeding which has not been fully disclosed to the Lender;

- (v) the Borrower has good and marketable title to all of their properties and assets, free and clear of any Encumbrances, other than Permitted Encumbrances herein;
- (vi) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default, a breach of any covenant or other term or condition of this Agreement or any of the Security given in connection therewith;
- (vii) the Borrower has filed all tax returns which were required to be filed by it, if any, paid or made provision for payment of all taxes and other potential Priority Claims (including interest and penalties) which are due and payable, if any and provided adequate reserves for payment of any tax, the payment of which is being contested, if any; and
- (viii) the Borrower's obligation to complete this transaction is not dependent upon any condition whatsoever, and that the Lender assumes no obligation to assist them to complete the transaction in any way, except to make available the Facilities as contemplated herein.

**Field Examinations /
Appraisals:**

- (i) In addition to reporting hereunder, the Borrower acknowledges that the Lender and its examiners shall be permitted to conduct periodic field examinations of the Collateral and operations, such examinations not to exceed four (4) in any calendar year prior to an Event of Default and more frequently as the Lender may determine in its sole discretion thereafter.
- (ii) The Borrower further acknowledges that the Lender shall be permitted to obtain two (2) equipment and real estate valuations/appraisals and four (4) inventory valuations/appraisals in any calendar year prior to an Event of Default and more frequently as the Lender may determine in its sole discretion thereafter.

Environmental:

In relation to the Borrower's business, assets and projects: the Borrower are operating and will continue to operate in conformity with all environmental laws; there are no contaminants, pollutants or other hazardous substances (including, without limitation, asbestos, products containing urea formaldehyde or polychlorinated biphenyl or any radioactive substances) have been or are now stored or located at any property from which they operate their business or any property

which constitutes Collateral (collectively, the “**Properties**”) and no order, approval, direction or other governmental or regulatory notice relating to the environment has been threatened against, is pending or has been issued with respect to the Properties or the operations of the business being conducted at the Properties; they are not aware of any pending or threatened action, suit or proceedings relating to any actual or alleged environmental violation from or at the Properties, nor have any proceedings been or are being instituted to make them or any other owner of the subject property comply with environmental laws and regulations; they will ensure that all of its property and assets comply with existing legislation and will remain free of any environmental problem; they will inform the Lender immediately upon becoming aware of any environmental problem or issue and will provide the Lender with copies of all communications with environmental authorities and all studies or assessments prepared on their behalf, all as soon as received by them; they also agree to pay the cost of any external environmental consultant engaged by the Lender to effect an environmental audit and the cost of any environmental rehabilitation, removal or repair necessary to protect, preserve or remediate the assets, including any fine or penalty the Lender is obligated to incur by reason of any statute, order or directive by a competent authority. The Borrower agrees to indemnify the Lender for any liability arising from an environmental problem including, without limitation, for all decontamination and decommissioning costs or for damages incurred by the Lender or its agents as a result of such contamination. For the purposes of this Agreement, an “environmental problem” means an act of non-compliance to a law, regulation, etc. or soil and/or underground water that contains one or many pollutants (contaminants) in levels of concentration that exceed parameters or norms applicable for the present use and intended use of any of their personal or real property including leased property.

In the event any environmental report shows that decontamination is required the Borrower undertakes to forthwith carry out decontamination at its own expense should this be required or requested.

Confidentiality:

The Borrower agrees to keep all of the information and terms related to this Agreement highly confidential. In particular, the existence of this Agreement or the discussions surrounding this Agreement cannot be disclosed to any party, including other creditors, without the Lender’s prior written consent.

General:

Credit: The Borrower authorizes the Lender, hereinafter, to obtain such factual and investigative information regarding the Borrower from others as permitted by law, to furnish other consumer credit grantors and credit bureaus such information. The Lender, after

completing credit investigations, which it will make from time to time concerning the Borrower, must in its absolute discretion be satisfied with all information obtained, prior to any advance being made under any Facility.

The Borrower further authorizes any financial institution, creditor, tax authority, employer or any other person, including any public entity, holding information concerning them or their assets, including any financial information or information with respect to any undertaking or suretyship given by them, to supply such information to the Lender in order to verify the accuracy of all information furnished or to be furnished from time to time to the Lender and to ensure their solvency at all times.

Non-Merger: The provisions of this Agreement shall not merge with any of the Security, but shall continue in full force and effect for the benefit of the parties hereto. In the event of an inconsistency between this Agreement and any of the other Credit Documents, including the Security, the provisions of this Agreement shall prevail.

Further Assurances and Documentation: The Borrower shall do all things and execute all documents deemed necessary or appropriate by the Lender for the purposes of giving full force and effect to the terms, conditions, undertakings hereof and the Security granted or to be granted hereunder.

Severability: If any provisions of this Agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor shall it invalidate, affect or impair any of the remaining provisions of this Agreement.

Marketing: The Lender shall be permitted to use the name of the Borrower and the amount of the Facilities for advertising purposes.

Governing Law: This Agreement and all agreements arising hereinafter shall be deemed to have been made and accepted in the City of Toronto, Ontario and shall be construed exclusively (without regard to any rules or principles relating to conflicts of laws) in accordance with and be governed by the laws of the Province of Ontario and of Canada applicable therein and the parties hereto hereby attorn to the courts of such jurisdiction.

Counterparts: This Agreement, the Security and all agreements arising hereinafter may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same

instrument. Delivery of an executed counterpart of this Agreement by telecopier, PDF or by other electronic means shall be as effective as delivery of a manually executed counterpart.

Assignment and Syndication: This Agreement and any commitment to advance and the Security in furtherance thereof or any warrant or right may be assigned by the Lender to any person and at any time whatsoever in its sole and absolute discretion, or monies required to be advanced may be syndicated by the Lender in its sole and absolute discretion. For greater certainty, the Lender may assign or grant participation in all or part of this Agreement or in the Facilities made hereunder without notice to and without the Borrower's consent. The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement, any such transfer or assignment being null and void insofar as the Lender is concerned and rendering any balance then outstanding under the Facilities immediately due and payable at the option of the Lender.

Time: Time shall be of the essence in all provisions of this Agreement.

Whole Agreement, Amendments and Waiver: This Agreement, the Security and any other written agreement delivered pursuant to or referred to in this Agreement constitute the whole and entire agreement between the parties in respect of the Facilities. There are no verbal agreements, undertakings or representations in connection with the Facilities. No amendment or waiver of any provision of this Agreement will be effective unless it is in writing signed by the Borrower and the Lender. No failure or delay on the part of the Lender in exercising any right or power hereunder or under any of the Security shall operate as a waiver thereon. No course of conduct by the Lender will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Security or the Lender's rights thereunder.

Replacements: This Agreement supersedes and replaces all prior discussions, discussion papers, letters, demand promissory notes and agreements (if any) describing the terms and conditions of any credit facility established in favour of the Borrower.

Reserve Indemnity. If subsequent to the date of this Agreement any change in or introduction of any Applicable Law, or compliance by Lender with any request or directive by any central bank, superintendent of financial institutions or other comparable authority, shall subject Lender to any tax with respect to the Facilities or change the basis of taxation of payments to Lender of any amount payable under the Facilities (except for changes in the rate of tax on the overall

net income of Lender), or impose any capital maintenance or capital adequacy requirement, reserve requirement or similar requirement with respect to the Facilities, or impose on Lender), any other condition or restriction, and the result of any of the foregoing is to increase the cost to Lender of making or maintaining the Facilities or any amount thereunder or to reduce any amount otherwise received by Lender under the Facilities, Lender will promptly notify the Borrower of such event and the Borrower will pay to Lender such additional amount calculated by Lender as is necessary to compensate Lender for such additional cost or reduced amount received. A certificate of Lender as to any such additional amount payable to it and containing reasonable details of the calculation thereof shall be conclusive evidence thereof.

Currency Indemnity. Interest and fees hereunder shall be payable in the same currency as the principal to which they relate. Any payment on account of an amount payable in a particular currency (the “**proper currency**”) made to or for the account of Lender in a currency (the “**other currency**”) other than the proper currency, whether pursuant to a judgment or order of any court or tribunal or otherwise and whether arising from the conversion of any amount denominated in one currency into another currency for any purpose, shall constitute a discharge of the Borrower’s obligation only to the extent of the amount of the proper currency which Lender is able, in the normal course of its business within one Business Day after receipt by it of such payment, to purchase with the amount of the other currency so received. If the amount of the proper currency which Lender is able to purchase is less than the amount of the proper currency due to Lender, the Borrower shall indemnify and save Lender harmless from and against any loss or damage arising as a result of such deficiency.

Notices. All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile transmission addressed to such other party or delivered to such other party as follows:

(i) **to the Borrower at:**

46 Village Centre Place, 3rd Floor
Mississauga, ON L4Z 1V9
Attention: President
Facsimile: 905-272-1905

(ii) **to the Lender at:**

Suite 2925, 77 King West

Toronto, ON M5K 1K7
 Attention: Graham Marr

or at such other address or facsimile number as may be given by any of them to the others in writing from time to time and such notices, requests, demands or other communications shall be deemed to have been received when delivered, or, if sent by facsimile transmission, on the date of transmission unless sent on a day which is not a Business Day or after 5:00 p.m. (local time of the recipient) on a Business Day, in which case it shall be deemed to have been received on the next Business Day following the day of such transmission.

Anti-Money Laundering Legislation: The Borrower acknowledges that, pursuant to the *Proceeds of Crime Money Laundering and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” laws, under the laws of Canada (collectively, including any guidelines or orders thereunder, “**AML Legislation**”), Lender may be required to obtain, verify and record information regarding it, its respective directors, authorized signing officers, direct or indirect shareholders or other persons in control of any of them, and the transactions contemplated hereby. Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by Lender, or any prospective assign or participant of Lender, necessary in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

Deemed Re Investment Principle. For the purpose of the *Interest Act* (Canada) and any other purpose, the principle of deemed re-investment of interest is not applicable to any calculation under this Agreement, and the rates of interest and fees specified in this Agreement are intended to be nominal rates and not effective rates or yields.

LIMITATION OF LIABILITY. NO CLAIM MAY BE MADE BY ANY PARTY HERETO AGAINST THE LENDER, OR THE AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS OF LENDER OR ANY ASSIGNEE OF LENDER FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION THEREWITH, AND EACH

PARTY HERETO HEREBY WAIVES, RELEASES AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOUR.

[2 SIGNATURE PAGES FOLLOW]

If the terms and conditions of this Agreement are acceptable to you, please sign in the space indicated below and return the signed copy of this Agreement to us. Acceptance may also be effected by facsimile or scanned transmission and in counterpart.

We thank you for allowing us the opportunity to provide you with this Agreement.

Yours truly,

BRIDGING FINANCE INC.,
as agent for **Sprott Bridging Income Fund LP**

Per: _____

Name:

Title:

I have authority to bind the Corporation.

[ACCEPTANCE SIGNATURE PAGE FOLLOWS]

Each of the undersigned hereby executes and delivers this Agreement under their respective seals by their duly authorized signing officers with effect as of this _____ day of _____, 2017.

Borrower:

SKYMARK FINANCE CORPORATION

By: _____

Name:

Title:

I have authority to bind the Corporation.

SCHEDULE “A” DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

“**Applicable Laws**” means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction, including without limitation the *Canadian Food Inspection Agency, the Consumer Packaging and Labelling Act* (Canada), the *Canada Agricultural Products Act* (Canada), the *Farm Products Marketing Act* and the *Competition Act* (Canada).

“**BMO**” means Bank of Montreal.

“**Business Day**” means any day other than a Saturday or a Sunday or any other day on which Canadian chartered banks are closed for business in Toronto, Ontario.

“**Collateral**” means all of the Borrower’s and PurchaseCo’s property, assets and undertakings.

“**Credit Documents**” collectively means this Agreement, the Security and any and all other documents, instruments and agreements contemplated herein and/or ancillary thereto.

“**Disbursement Accounts**” means specifically the following account / transit numbers at BMO from which the Borrower shall make all of its payments and disbursements:

Borrower (Cdn\$) - BMO:	<*>
Borrower (US\$) - BMO:	<*>

[NTD: Borrower to advise]

“**Encumbrances**” means any mortgage, Lien, pledge, assignment, charge, security interest, title retention agreement, hypothec, levy, execution, seizure, attachment, garnishment, right of distress or other claim in respect of property of any nature or kind whatsoever howsoever arising (whether consensual, statutory or arising by operation of law or otherwise) and includes arrangements known as sale and lease-back, sale and buy-back and sale with option to buy-back or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the PPSA or Uniform Commercial Code (or equivalent statutes) of any jurisdiction. The inclusion of Permitted Encumbrances in this Agreement is not intended to subordinate and shall not subordinate any Lien created by any of the Security contemplated by this Agreement and the other Credit Documents to any Permitted Encumbrances.

“**GAAP**” means those accounting principles which are recognized as being generally accepted in Canada from time to time as set out in the handbook published by the Canadian institute of chartered accountants.

“Lien” means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien or adverse right or claim or deemed trust (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation.

“Material Adverse Change” means any change, condition or event which, when considered individually or together with other changes, conditions, events or occurrences could reasonably be expected to have a Material Adverse Effect.

“Material Adverse Effect” means, in the determination of the Lender, a material adverse effect on (i) the business, revenues, operations, assets, liabilities (contingent or otherwise), financial condition or prospects of the Borrower or PurchaseCo; (ii) on the rights and remedies of the Lender under this Agreement and the security; (iii) on the ability of the Borrower to perform its obligations under the Credit Documents; or (iv) on the Liens created by the security.

“Permitted Encumbrances” means, at any time, the following:

- (i) Liens for taxes not overdue, or which are being contested if adequate reserves with respect thereto are maintained in accordance with GAAP and the enforcement of any related Lien is stayed;
- (ii) undetermined or inchoate Liens arising in the ordinary course of business which relate to obligations not overdue or a claim for which has not been filed or registered pursuant to Applicable Law;
- (iii) statutory Liens incurred or deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance and other social security legislation; and
- (iv) Liens created by the Security.

“person” includes a natural person, a partnership, a joint venture, a trust, a fund, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity.

“PPSA” means the *Personal Property Security Act* (Ontario) or any other similar applicable personal property security statute in any other applicable jurisdiction, as the same may be amended, supplemented or replaced from time to time.

“Prime” means the rate of interest announced from time to time by BMO as its reference rate then in effect for determining rates of interest on Canadian dollar loans to its customers in Canada and designated as its prime rate.

“Priority Claims” means the aggregate of any amounts accrued or payable which under any law may rank prior to or pari passu with any of the Security or otherwise in priority to any claim by the Lender in respect of the Borrower and/or PurchaseCo for payment or repayment of any amounts owing under this Agreement, including: (i) wages, salaries, commissions or other

remuneration; (ii) vacation pay; (iii) pension plan contributions; (iv) amounts required to be withheld from payments to employees or other persons for federal and provincial income taxes, employee Canadian pension plan contributions and employee employment insurance premiums, additional amounts payable on account of employer Canada pension plan contributions and employer employment Insurance premiums; (v) harmonized sales tax; (vi) provincial sales or other consumption taxes; (vii) Workers' Compensation Board and Workplace Safety and Insurance Board premiums or similar premiums; (viii) real property taxes; (ix) rent and other amounts payable in respect of the use of real property; provided that a rent reserve of three months will be taken for each leased or rented location where a landlord/warehouse waiver satisfactory to the Lender has not been obtained); (x) amounts payable for repair, storage, transportation or construction or other services which may give rise to a possessory or registerable Lien; (xi) claims which suppliers could assert pursuant to Section 81.1 or Section 81.2 of the Bankruptcy and Insolvency Act (Canada); (xii) WEPPA Claims; and (xiii) farmers' rights under the Farm Debt Mediation Act or any other Applicable Laws.

"Real Property" means, [REDACTED]
[REDACTED]

"Statutory Encumbrances" means any Encumbrances arising by operation of Applicable Laws, including, without limitation, for carriers, warehousemen, repairers', taxes, assessments, statutory obligations and government charges and levies for amounts not yet due and payable or which may be past due but which are being contested in good faith by appropriate proceedings (and as to which the Lender has established a reserve as to which there are no other enforcement proceedings being taken and no Liens being registered and they shall have been effectively and immediately stayed).

"WEPPA Claims" means any claims made pursuant to the Wage Earner Protection Program Act, S.C. 2005, c. 47, s.1, as the same may be amended, restated or replaced from time to time.

Words importing the singular include the plural thereof and vice versa and words importing gender include the masculine, feminine and neuter genders.

This is Exhibit "F" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'AD', is written over a horizontal line.

A Commissioner for taking affidavits

ADAM DRIEDGER

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

From: **Graham Marr** <GMarr@bridgingfinance.ca>

Date: Tue, Aug 10, 2021 at 1:27 PM

Subject: Fwd: Just FYI, I am heading to Neil's office now with Mahal to get everything signed up

To: christine.l.sinclair@pwc.com <christine.l.sinclair@pwc.com>, Kevin Moreau <kmoreau@bridgingfinance.ca>

fyi

Graham Marr, CPA, CA, CFA

President | Bridging Finance Inc.

77 King St W, Suite 2925 | Toronto ON | M5K 1K7

T: (416) 777-1794 | C: (416) 906-0395

E: gmarr@bridgingfinance.ca

www.bridgingfinance.ca

Canada's Premier Private Debt Provider

From: Paul Millar <paul@yorklondon.com>

Sent: Tuesday, August 10, 2021 12:29:52 PM

To: Graham Marr <GMarr@bridgingfinance.ca>

Subject: Fwd: Just FYI, I am heading to Neil's office now with Mahal to get everything signed up

Per our discussion. Pm

Sent from my iPhone

Begin forwarded message:

From: Michael Slattery <mslattery@skylarkmortgages.ca>
Date: August 10, 2021 at 17:25:20 GMT+1
To: Paul Millar <paul@yorklondon.com>
Subject: FW: Just FYI, I am heading to Neil's office now with Mahal to get everything signed up

From: Graham Marr <GMarr@bridgingfinance.ca>
Sent: Thursday, July 6, 2017 11:36 AM
To: Ken Rosenstein <krosenstein@airdberlis.com>
Cc: Michael Slattery <mslattery@skylarkmortgages.ca>; Paul Millar (paul@yorklondon.com) <paul@yorklondon.com>
Subject: Fwd: Just FYI, I am heading to Neil's office now with Mahal to get everything signed up

Ken, as just discussed, can we please amend the GSA to reflect that our recourse is limited to enforcing on [REDACTED] security only, thanks

Graham Marr, CPA, CA, CFA
Managing Director and Portfolio Manager Bridging Finance Inc.
Suite 2925, 77 King West
Toronto|ON|M5K 1K7
T: (416) 777-1794
T: (403) 910-0697
C: (416)-906-0395
gmarr@bridgingfinance.ca

Bridging Finance Inc. is the Sub-Advisor to the
Sprott Bridging Income Fund LP

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

From: "Michael Slattery" <mslattery@skylarkmortgages.ca>
Date: Thu, Jul 6, 2017 at 11:24 AM -0400
Subject: RE: Just FYI, I am heading to Neil's office now with Mahal to get everything signed up
To: "Graham Marr" <GMarr@bridgingfinance.ca>

Hi Graham,

As per our conversation regarding the credit facilities of Skymark Finance Corporation and Bridge Financing,

It is our understanding and can you please confirm that the facilities are non recourse against Skymark's assets beyond any assets of purchaseco ([REDACTED]) that may be recovered by Skymark through its credit facilities with purchaseco.

Please confirm by email.

Michael Slattery

Mortgage Broker - License M08001002

Skylark Holdings Ltd.

46 Village Centre Place

Mississauga, ON

L4Z 1V9

P: 905-272-1900 ext 238

F: 905-272-1905

www.skylarkmortgages.ca

mslattery@skylarkmortgages.ca

From: Graham Marr [<mailto:GMarr@bridgingfinance.ca>]

Sent: Thursday, July 6, 2017 11:00 AM

To: Paul Millar (paul@yorklondon.com) <paul@yorklondon.com>; Michael Slattery <mslattery@skylarkmortgages.ca>

Subject: Just FYI, I am heading to Neil's office now with Mahal to get everything signed up

Graham Marr, CPA, CA, CFA
Managing Director and Portfolio Manager Bridging Finance Inc.
Suite 2925, 77 King West
Toronto | ON | M5K 1K7
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T: (403) 910-0697
C: (416)-906-0395
gmarr@bridgingfinance.ca

Bridging Finance Inc. is the Sub-Advisor to the
Sprott Bridging Income Fund LP

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dangerous content by [MailScanner](#), and is
believed to be clean.

--

Christine Sinclair, CPA, CA
PwC | Director, Corporate Advisory & Restructuring
T: +1 416 687 8938
Email: christine.l.sinclair@pwc.com
PricewaterhouseCoopers Inc. LIT
PwC Tower, 18 York Street, Suite 2600, Toronto ON M5J 0B2
<http://www.pwc.com/ca>

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This is Exhibit "G" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

ADAM DRIEDGER

GENERAL SECURITY AGREEMENT

This Agreement is made the 28th day of April, 2015

Between:

SKYMARK FINANCE CORPORATION

(the "**Borrower**")

- and -

SPROTT BRIDGING INCOME FUND LP

(the "**Lender**").

Whereas:

- (a) pursuant to a loan agreement dated April 28, 2015 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto, collectively the "**Loan Agreement**") between the Lender and the Borrower, the Lender has agreed to make available to the Borrower the credit facilities, as more particularly set out in the Loan Agreement;
- (b) as a condition to making available the credit facilities under the Loan Agreement, the Borrower is required to execute and deliver this Agreement to the Lender; and
- (c) capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

Now therefore for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Borrower agrees with the Lender, as follows:

1. Obligations Secured. The Security Interest (as hereinafter defined) is granted to the Lender by the Borrower as continuing security for the payment of all present and future indebtedness and liabilities of the Borrower to the Lender, including interest thereon, and for the prompt and complete performance of all other present and future obligations of the Borrower to the Lender, whether direct or indirect, contingent or absolute, including under to the Loan Agreement and/or this Agreement (collectively, the "**Obligations**").

2. Creation of Security Interest. As general and continuing security for the payment and performance when due of all the Obligations, the Borrower hereby mortgages, pledges, hypothecates, transfers, assigns and charges to the Lender, and hereby grants to the Lender a security interest in (such mortgages, pledges, hypothecations, transfers, assignments, charges and security interests are referred to collectively as the "**Security Interest**") all present and after-acquired undertaking and property of the Borrower of any nature whatsoever (such undertaking and property are referred to collectively as the "**Collateral**") including, without limitation, the following:

- (a) **Equipment** - all present and future equipment of the Borrower, including all machinery, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto ("**Equipment**");
- (b) **Inventory** - all present and future inventory of the Borrower, including all raw materials, materials used or consumed in the business of the Borrower, work-in-progress, finished goods, goods used for packing, materials used in the business of the Borrower not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ("**Inventory**");
- (c) **Accounts** - all present and future debts, demands and amounts due or accruing due to the Borrower whether or not earned by performance, including without limitation its book debts, accounts receivable, and claims under policies of insurance, and all contracts, security interests and other rights and benefits in respect thereof ("**Accounts**");
- (d) **Intangibles** - all present and future intangible personal property of the Borrower, including all contract rights, goodwill, patents, trade marks, copyrights and other intellectual property, and all other choses in action of the Borrower of every kind, whether due at the present time or hereafter to become due or owing;
- (e) **Documents of Title** - all present and future documents of title of the Borrower, whether negotiable or otherwise, including all warehouse receipts and bills of lading;
- (f) **Chattel Paper** - all present and future agreements made between the Borrower as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods ("**Chattel Paper**");
- (g) **Instruments** - all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)), and all other writings that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment ("**Instruments**");

- (h) ***Investment Property*** – all present and future investment property, including, but not limited to, shares, stock, warrants, bonds, debentures, debenture stock and other securities (whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts (“**Investment Property**”);
- (i) ***Money*** - all present and future money of the Borrower, whether authorized or adopted by the Parliament of Canada as part of its currency or any foreign government as part of its currency ("**Money**");
- (j) ***Securities*** - all present and future securities held by the Borrower, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Borrower in property or in an enterprise or which constitute evidence of an obligation of the issuer, and including an uncertificated security within the meaning of Part VI (Investment Securities) of the *Business Corporations Act* (Ontario) and all substitutions therefor and dividends and income derived therefrom;
- (k) ***Documents*** - all books, accounts, invoices, letters, papers, documents and other records in any form or medium evidencing or relating to collateral subject to the Security Interest;
- (m) ***Proceeds*** - all personal property in any form derived directly or indirectly from any dealing with collateral subject to the Security Interest or the proceeds therefrom, including insurance proceeds and any other payment representing indemnity or compensation for loss of or damage thereto or the proceeds therefrom ("**Proceeds**").

Without limiting the generality of the description of Collateral as set out in this Section 2, and for greater certainty, the Collateral shall include all present and future real and personal property of the Borrower located on or about or in transit to or from the address of the Borrower set out on this Agreement and the location(s) set out in Schedule "A" attached hereto.

3. Attachment, Perfection Possession and Control.

- (a) The Borrower acknowledges that (i) value has been given, (ii) it has rights in the Collateral or the power to transfer rights in the Collateral to the Lender (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, and (iv) it has received a copy of this Agreement.
- (b) The Borrower shall promptly inform the Lender in writing of the acquisition by the Borrower of any personal property which is not adequately described in this Agreement, and the Borrower shall execute and deliver, from time to time, at its own expense, amendments to this Agreement and its schedules or additional

security agreements or schedules as may be required by the Lender in order to preserve, protect and perfect its Security Interest in such personal property.

- (c) If the Borrower acquires Collateral consisting of Chattel Paper, Instruments or negotiable Documents of Title (collectively, “**Negotiable Collateral**”), the Borrower shall, immediately upon receipt thereof, deliver to the Lender the Negotiable Collateral and shall, at the request of the Lender (i) endorse the same for transfer in blank or as the Lender may direct, (ii) cause any transfer to be registered wherever, in the opinion of the Lender, such registration may be required or advisable, and (iii) deliver to the Lender any and all consents or other documents which may be necessary or desirable to transfer the Negotiable Collateral.
- (d) If the Borrower has or hereafter acquires Collateral consisting of certificated securities it shall immediately deliver to the Lender any and all certificates representing such Collateral (the “**Pledged Certificated Securities**”) and other materials (including effective endorsements) as may be required from time to time in the opinion of the Lender, to provide the Lender with control over all Pledged Certificated Securities in the manner provided under Section 23 of the *Securities Transfer Act* (Ontario) (“**STA**”), and at the request of the Lender, will cause all Pledged Certificated Securities to be registered in the name of the Lender or as it may direct.
- (e) If the Borrower has or hereafter acquires Collateral consisting of uncertificated securities it shall deliver to the Lender any and all such documents, agreements and other materials as may be required from time to time in the opinion of the Lender, to provide the Lender with control over all such Collateral in the manner provided under Section 24 of the STA.
- (f) If the Borrower has or hereafter acquires Collateral consisting of security entitlements or creates Collateral consisting of one or more securities accounts it shall deliver to the Lender any and all such documents, agreements and other materials as may be required from time to time in the opinion of the Lender, to provide the Lender with control over all such Collateral in the manner provided under Section 25 and 26 of the STA and Section 1(2)(e) of the PPSA.
- (g) If the Borrower has or hereafter acquires Collateral consisting of an interest in a partnership or limited liability company, it shall take all steps necessary in the opinion of the Lender, to ensure that such property is and remains a security for the purposes of the STA.
- (h) The Borrower shall not cause or permit any person other than the Lender to have control (as defined in the STA) of any investment property constituting part of the Collateral, other than control in favour of a depositary bank or securities intermediary which has subordinated its lien to the lien of the Lender pursuant to documentation in form and substance satisfactory to the Lender.

4. Special Provisions Relating to Pledged Investment Property

- (a) Provided no Event of Default (as defined in the Loan Agreement) has occurred and is continuing, the Borrower has the right to exercise all voting, consensual and other powers of ownership pertaining to Collateral which is investment property (the “**Pledged Investment Property**”) for all purposes not inconsistent with the terms of this Agreement, the Loan Agreement or the other Credit Documents and the Borrower agrees that it will not vote the Pledged Investment Property in any manner that is inconsistent with such terms.
- (b) Provided no Event of Default has occurred and is continuing, the Borrower may receive and retain any dividends, distributions or proceeds on the Pledged Investment Property.
- (c) If an Event of Default has occurred and is continuing, whether or not the Lender exercises any right to declare any Obligations due and payable or seeks or pursues any other relief or remedy available to it under applicable law or under this Agreement or otherwise, all dividends and other distributions on the Pledged Investment Property shall be paid directly to the Lender and retained by it as part of the Collateral, and, if the Lender so requests in writing, the Borrower will execute and deliver to the Lender any instruments or other documents necessary or desirable to ensure that the Pledged Investment Property is paid directly to the Lender.

5. Care and Custody of Collateral.

- (a) The Lender has no obligation to keep Collateral in their possession identifiable.
- (b) The Lender shall exercise in the physical keeping of any Negotiable Collateral or securities, only the same degree of care as it would exercise in respect of its own such property kept at the same place.
- (c) The Lender may, after the Security Interest has become enforceable, (i) notify any person obligated on an Account, Chattel Paper or Instrument to make payments to the Lender whether or not the Borrower was previously making collections on such Accounts, Chattel Papery or Instruments, and (ii) assume control of any proceeds arising from the Collateral.

6. Notification to Account Debtors. The Lender may, after the Security Interest becomes enforceable, notify any person obligated to the Borrower in respect of an Account, Chattel Paper, Investment Property or an Instrument to make payment to the Lender of all such present and future amounts due thereon.

7. Exception re Leasehold Interests and Contractual Rights. The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the Security Interest, but the Borrower agrees to stand possessed of such last day in trust for any person acquiring such interest of the Borrower. To the extent that the creation of the Security Interest would constitute

a breach or cause the acceleration of any agreement, right, licence or permit to which the Borrower is a party, the Security Interest shall not attach thereto, but the Borrower shall hold its interest therein in trust for the Lender, and the Security Interest shall attach to such agreement, right, license or permit forthwith upon obtaining the consent of the other party thereto.

8. Representations and Warranties. The Borrower hereby represents and warrants as follows to the Lender and acknowledges that the Lender is relying thereon:

- (a) the Borrower has the capacity and authority to incur the Obligations, create the Security Interest and generally perform its obligations under this Agreement;
- (b) the execution and delivery of this Agreement and the performance by the Borrower of its obligations hereunder have been duly authorized by all necessary proceedings;
- (c) except for the Security Interest, and except as disclosed by the Borrower in writing to the Lender, the Collateral is owned by the Borrower free from any mortgage, lien, charge, encumbrance, pledge, security interest or other claim whatsoever;
- (d) the chief executive office of the Borrower is located at the address of the Borrower set out in the Loan Agreement;
- (e) the Collateral is located at the places warranted herein and at no other place; and
- (f) the Collateral does not include any goods which are used or acquired by the Borrower primarily for personal, family or household purposes.

9. Covenants of Corporation. The Borrower covenants and agrees in favour of the Lender as follows:

- (a) to pay or satisfy the Obligations when due;
- (b) to keep the Collateral free and clear of all taxes, assessments, liens, mortgages, charges, claims, encumbrances and security interests whatsoever, except for the Security Interest and except as disclosed in writing by the Borrower to the Lender;
- (c) not to sell, exchange, transfer, assign, lease or otherwise dispose of or deal in any way with the Collateral or any interest therein, or enter into any agreement or undertaking to do so; except as may be permitted in this Agreement;
- (d) to keep the Collateral in good condition, and to keep the Collateral located at the places warranted herein;

- (e) to obtain from financially responsible insurance companies and maintain insurance in respect of such risks and in such amounts as the Lender may reasonably require from time to time, and the Borrower agrees to cause the interest of the Lender to be noted as its interest might appear on such policies of insurance (except public liability insurance), and to furnish the Lender with certificates of insurance and certified copies of such policies;
- (f) to promptly notify the Lender of any loss or damage to the Collateral, and of any change in any information provided in this Agreement;
- (g) to promptly pay all taxes, assessments, rates, levies, payroll deductions, vacation pay, workers' compensation assessments, and any other charges which could result in the creation of a statutory lien or deemed trust in respect of the Collateral;
- (h) to deliver to the Lender such information concerning the Collateral or the Borrower as the Lender may reasonably request from time to time, including aged lists of Inventory and Accounts and annual and monthly financial statements of the Borrower;
- (i) to allow the Lender to have access to all premises of the Borrower at which Collateral may be located and to inspect the Collateral and all records of the Borrower pertaining thereto from time to time; and
- (j) to do, make, execute and deliver such further and other assignments, transfers, deeds, agreements and other documents as may be required by the Lender to establish in favour of the Lender the Security Interest intended to be created hereby and to accomplish the intention of this Agreement.

10. Enforcement. The Security Interest shall become enforceable immediately upon the occurrence of a default hereunder or an Event of Default (as defined in the Loan Agreement), or if the Borrower fails to pay or perform any of the Obligations when due.

11. Remedies. In the event that the Security Interest becomes enforceable, the Lender shall have the following remedies in addition to any other remedies available at law or equity or contained in any other agreement between the Borrower and the Lender all of which remedies shall be independent and cumulative:

- (a) entry of any premises where Collateral may be located;
- (b) possession of Collateral by any method permitted by law;
- (c) the sale or lease of Collateral;
- (d) the collection of any rents, income and profits received in connection with the business of the Borrower or the Collateral;

- (e) the collection, realization, sale or other dealing with any Accounts;
- (f) the appointment by instrument in writing of a receiver or a receiver and manager (each of which is herein called a "**Receiver**") of the Collateral;
- (g) the exercise by the Lender of any of the powers set out in Section 12, without the appointment of a Receiver;
- (h) proceedings in any court of competent jurisdiction for the appointment of a receiver or a receiver and manager or for the sale of the Collateral; and
- (i) the filing of proofs of claim and other documents in order to have the claims of the Lender lodged in any bankruptcy, winding-up or other judicial proceeding relating to the Borrower.

12. Powers of Receiver. Any Receiver appointed by the Lender may be any person or persons, and the Lender may remove any Receiver so appointed and appoint another or others instead. Any Receiver appointed shall act as agent for the Lender for the purposes of taking possession of the Collateral and (except as provided below) as agent for the Borrower for all other purposes, including without limitation the occupation of any premises of the Borrower and in carrying on the Borrower's business. For the purposes of realizing upon the Security Interest, the Receiver may sell, lease or otherwise dispose of Collateral as agent for the Borrower or as agent for the Lender as it may determine in its discretion. The Borrower agrees to ratify and confirm all actions of the Receiver acting as agent for the Borrower, and to release and indemnify the Receiver in respect of all such actions. Any Receiver so appointed shall have the following powers:

- (a) to enter upon, use and occupy all premises owned or occupied by the Borrower;
- (b) to take possession of the Collateral;
- (c) to carry on the business of the Borrower;
- (d) to borrow money required for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Borrower, and in the discretion of such Receiver, to charge and grant further security interests in the Collateral in priority to the Security Interest, as security for the money so borrowed;
- (e) to sell, lease or otherwise dispose of the Collateral or any part thereof on such terms and conditions and in such manner as the Receiver shall determine in its discretion;
- (f) to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or

obtaining possession or payment of the Collateral, and to give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the Accounts or any other obligation of any third party to the Borrower; and

- (g) to exercise any rights or remedies which could have been exercised by the Lender against the Borrower or the Collateral.

13. Exercising Remedies. Any remedy may be exercised separately or in combination and is in addition to, and not in substitution for, any other rights or remedies the Lender may have, however created. The Lender is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to any other rights of the Lender in respect of the Obligations including the right to claim for any deficiency.

14. Dealings with Collateral.

- (a) The Lender is not obliged to exhaust their recourse against the Borrower or any other person or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Lender considers desirable.
- (b) The Lender may grant extensions or other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Borrower and with other persons, guarantors, sureties or security as it may see fit without prejudice to the Obligations, the liability of the Borrower or the rights of the Lender in respect of the Collateral.
- (c) The Lender is not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.
- (d) To the extent that applicable law imposes duties on the Lender to exercise remedies in a commercially reasonable manner, and without prejudice to the ability of the Lender to dispose of the Collateral in any such manner, the Borrower acknowledges and agrees that it is not commercially unreasonable for the Lender to, and the Lender may, in its discretion (i) incur expenses reasonably deemed significant by the Lender to prepare the Collateral for disposition, (ii) exercise collection remedies directly or through the use of collection agencies, (iii) dispose of Collateral by way of public auction, public tender or private contract, with or without advertising and without any other formality, (iv) dispose of Collateral to a customer or client of the Lender (v) contact other persons,

whether or not in the same business as the Borrower, for expressions of interest in acquiring all or any portion of the Collateral, (vi) hire one or more professional auctioneers to assist in the disposition of the Collateral, whether or not the Collateral is of a specialized nature, (vii) establish an upset or reserve bid or price in respect of the Collateral, and (viii) establish such terms as to credit or otherwise as the Lender may determine.

- (e) The Borrower acknowledges that the Lender may be unable to complete a public sale of any or all of the Collateral consisting of Investment Property by reason of certain prohibitions contained in applicable securities laws or otherwise. In connection therewith, it may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire the Collateral for their own account for investment and not with a view to the distribution or resale thereof. Any such private sale may result in prices and other terms less favourable to the seller than if such sale were a public sale and, notwithstanding such circumstances, the Borrower agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner by reason of it being a private sale. The Lender is under no obligation to delay a sale of any or all of the Collateral for the period of time necessary to permit the issuer thereof to register such Collateral for public sale under applicable securities law or otherwise, even if the issuer agrees to do so.

15. Application of Payments. All payments made in respect of the Obligations and all monies received by the Lender or any Receiver appointed by the Lender in respect of the enforcement of the Security Interest (including the receipt of any Money) may be held as security for the Obligations or applied in such manner as may be determined in the discretion of the Lender or the Receiver, as the case may be, and the Lender may at any time apply or change any such appropriation of such payments or monies to such part or parts of the Obligations as the Lender may determine in its discretion. The Borrower shall remain liable to the Lender for any deficiency; and any surplus funds realized after the satisfaction of all Obligations shall be paid in accordance with applicable law.

16. Notice. Any demand, notice, direction or other communication to be made or given hereunder shall be made in accordance with the terms and provisions of the Loan Agreement.

17. Power of Attorney. The Borrower hereby constitutes and appoints the Lender or any officer thereof as its true and lawful attorney, effective upon the Security Interest becoming enforceable, with full power of substitution, to execute all documents and take all actions as may be necessary or desirable to perform any obligations of the Borrower arising pursuant to this Agreement, and in executing such documents and taking such actions, to use the name of the Borrower whenever and wherever it may be considered necessary or expedient. These powers are coupled with an interest and are irrevocable until all of the Obligations have been repaid in full and this Agreement is terminated and the Security Interest created herein has been released.

18. Separate Security. This Agreement and the Security Interest are in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the

Borrower, the Obligations or the Collateral and any other present and future rights or remedies which the Lender might have with respect thereto.

19. No Obligation to Advance. Nothing in this Agreement shall obligate the Lender to make any loan or accommodation to the Borrower or any other party in connection with this Agreement, or extend the time for payment or satisfaction of any Obligations.

20. Amalgamation of Corporation. In the event the Borrower amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest will (a) extend to all of the property and assets that (i) any of the amalgamating corporations own, or (ii) the amalgamated corporation thereafter acquires, and (b) secure the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by any of the amalgamating corporations and the amalgamated corporation to the Lender in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of, or subsequent to, the amalgamation. The Security Interest will attach to the property and assets of the amalgamating corporations not previously subject to this Agreement at the time of amalgamation and to any property or assets thereafter owned or acquired by the amalgamated corporation when same becomes owned or is acquired. Upon any such amalgamation, the defined term "Borrower" means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term "Collateral" means all of the property, assets, undertaking and interests described in (a) above, and the defined term "Obligations" means the obligations described in (b) above.

21. Amendments. This Agreement may only be amended, supplemented or otherwise modified by written agreement of the Lender and the Borrower.

22. Waivers. The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

23. Discharge. The Security Interest will be discharged upon, but only upon, (a) full and indefeasible payment and performance of the Obligations, (b) the Borrower having no obligations under the Loan Agreement and the other Credit Documents, and (c) at the request and expense of the Borrower. In that connection, the Lender will execute and deliver to the Borrower such releases and discharges as the Borrower may reasonably require.

24. Joint and Several. If this Agreement has been executed by more than one debtor, their obligations hereunder shall be joint and several, and all references to the "Borrower" herein shall refer to all such debtors, as the context requires.

25. Number, Gender and Persons. Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

26. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by applicable law. Each provision of this Agreement is declared to be separate, severable and distinct.

27. Successors and Assigns. This Agreement is binding upon the Borrower, its successors and assigns, and enures to the benefit of the Lender and its respective its successors and assigns. This Agreement and all rights of the Lender are assignable without the consent of, or notice to the Borrower, and in any action brought by an assignee to enforce this Agreement or any right or remedy, the Borrower will not assert against the assignee any claim or defence which the Lender now has or hereafter may have against the Collateral. Neither this Agreement nor any rights, duties or obligations under this Agreement are assignable or transferable by the Borrower.

28. Time. Time shall be of the essence of this Agreement.

29. Counterparts and Execution by Facsimile. This Agreement may be executed in any number of separate counterparts (including by facsimile or other electronic means) and all such signed counterparts will together constitute one and the same agreement. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other parties by facsimile, .pdf attached to an e-mail or other means of recorded electronic transmission and such transmission with an acknowledgement of receipt shall constitute delivery of an executed copy of this Agreement to the receiving party.

30. Governing Law and Attornment. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Borrower irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario in connection with this Agreement.

31. Entire Agreement. This Agreement, the Loan Agreement and any other documents delivered pursuant hereto and thereto including any schedules attached hereto and thereto constitutes the entire agreement between the Borrower and the Lender relating to the subject-matter hereof and supersede all prior agreements, representations, warranties, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

32. Expenses. The Borrower shall pay forthwith upon demand to the Lender all expenses ("Expenses"), including the reasonable fees, disbursements and other charges of its counsel (on a solicitor and his own client basis), experts or agents which the Lender may incur in connection with (i) the negotiation and preparation of this Agreement, (ii) the administration of this Agreement, (iii) the custody or preservation of, or the sale of, collection from or other realization upon any of the Collateral, (iv) the exercise, enforcement or protection of any of the rights of the Lender hereunder or (v) the failure of the Borrower to perform or observe any of the provisions hereof.

33. Further Assurances. The Borrower shall from time to time, whether before or after the Security Interest has become enforceable, do all acts and things and execute and deliver all transfers, assignments and agreements as the Lender may reasonably require for (a) protecting the Collateral, (b) perfecting the Security Interest, (c) obtaining control of the Collateral, (d) exercising all powers, authorities and discretions conferred upon the Lender, and (e) otherwise enabling the Lender to obtain the full benefits of this Agreement and the rights and powers herein granted. The Borrower shall, from time to time after the Security Interest has become enforceable, do all acts and things and execute and deliver all transfers, assignments and agreements as the Lender may require for facilitating the sale or other disposition of the Collateral in connection with its realization.

34. Copy of Agreement. The Borrower acknowledges receipt of an executed copy of this Agreement.

35. Conflicts. In the event that any provisions of this Agreement contradict and are otherwise incapable of being construed in conjunction with the provisions of the Loan Agreement, the provisions of the Loan Agreement shall take precedence over those contained in this Agreement.

[Remainder of page intentionally blank; signature page follows]

This Agreement has been executed by the Borrower as of the date first stated above.

SKYMARK FINANCE CORPORATION

By: _____

Name:

Title:

Michael SLATTERY
president

By: _____

Name:

Title:

PAUL MILLAR
SECRETARY & TREASURER.

I/We have authority to bind the corporation.

SCHEDULE “A”

Location(s) of Collateral

46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9

This is Exhibit “H” referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'AD', is written over a horizontal line.

A Commissioner for taking affidavits

ADAM DRIEDGER

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 1
(3253)

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

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION

FILE CURRENCY : 27DEC 2022

ENQUIRY NUMBER 20221228111850.03 CONTAINS 20 PAGE(S), 5 FAMILY(IES).

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

THORNTON GROUT FINNIGAN LLP - ROXANA MANEA
100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7

CONTINUED...

2



(crfj6 05/2022)



RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 2
(3254)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
789442731

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	1		20221220 1114 1590 3994	P PPSA	5

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02 DEBTOR 03 NAME	BUSINESS NAME	SKYMARK FINANCE CORPORATION	
04 ADDRESS	46 VILLAGE CENTRE PLACE, 3RD FLOOR		MISSISSAUGA
		ON	L4Z 1V9

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

SECURED PARTY / LIEN CLAIMANT	ADDRESS			
08	BRIDGING FINANCE INC., AS AGENT			
09	77 KING STREET WEST, SUITE 2925	TORONTO	ON	M5K 1K7

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

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

13 GENERAL THIS IS A RE-REGISTRATION OF PPSA REGISTRATION NO. 20170622 1955 1793
14 COLLATERAL 7293, FILE NO. 729041949.
15 DESCRIPTION

REGISTERING AGENT	ADDRESS			
16	THORNTON GROUT FINNIGAN LLP (GBM/AD)			
17	3200-100 WELLINGTON STREET WEST	TORONTO	ON	M5K 1K7

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

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario



RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 3
(3255)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
781370991

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20220324 0921 1590 4072 P PPSA 3

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME SKYMARK FINANCE CORPORATION ONTARIO CORPORATION NO.
04 ADDRESS 300 - 46 VILLAGE CENTRE PLACE MISSISSAUGA ON L4Z 1V9

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

08 SECURED PARTY / ENLIGHTENED FUNDING CORPORATION
09 LIEN CLAIMANT ADDRESS 1100 BURLOAK DRIVE, SUITE 702 BURLINGTON ON L7L 6B2

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

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

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING CHAITONS LLP (LL/69318)
17 AGENT ADDRESS 5000 YONGE STREET, 10TH FLOOR TORONTO ON M2N 7E9

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

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 4
(3256)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
745173432

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	01	003		20181025 1407 1462 9988	P PPSA	6

02 DEBTOR
03 NAME
04 BUSINESS NAME
05 DATE OF BIRTH
06 FIRST GIVEN NAME
07 INITIAL
08 SURNAME

02 DEBTOR
03 NAME
04 BUSINESS NAME
05 DATE OF BIRTH
06 FIRST GIVEN NAME
07 INITIAL
08 SURNAME

02 DEBTOR
03 NAME
04 BUSINESS NAME
05 DATE OF BIRTH
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07 INITIAL
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02 DEBTOR
03 NAME
04 BUSINESS NAME
05 DATE OF BIRTH
06 FIRST GIVEN NAME
07 INITIAL
08 SURNAME

02 DEBTOR
03 NAME
04 BUSINESS NAME
05 DATE OF BIRTH
06 FIRST GIVEN NAME
07 INITIAL
08 SURNAME

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario



RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 5
(3257)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
745173432

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
02 003 20181025 1407 1462 9988 P PPSA 6

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME BLUE SKY STORAGE INC.

04 ADDRESS 1393 GRAHAM'S LANE BURLINGTON ON L7S1W4

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME SKYMARK FINANCE CORPORATION

07 ADDRESS 1393 GRAHAM'S LANE BURLINGTON ON L7S1W4

08 SECURED PARTY /
LIEN CLAIMANT

09 ADDRESS

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL PART OF THE GOODS DESCRIBED HEREIN WITH ANY PROCEEDS THEREOF AND
14 COLLATERAL THEREFROM INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES,
15 DESCRIPTION INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER AND INTANGIBLES (AS

16 REGISTERING PPSA CANADA INC. - (8154)
AGENT

17 ADDRESS 110 SHEPPARD AVE EAST, SUITE 303 TORONTO ON M2N6Y8

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

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario



RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 6
(3258)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
745173432

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	03	003		20181025 1407 1462 9988	P PPSA	6

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
LIEN CLAIMANT

09 ADDRESS

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

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL DEFINED IN THE PERSONAL PROPERTY SECURITY ACT)

14 COLLATERAL
15 DESCRIPTION

16 REGISTERING PPSA CANADA INC. - (8154)
AGENT

17 ADDRESS 110 SHEPPARD AVE EAST, SUITE 303 TORONTO ON M2N6Y8

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

CONTINUED...

7

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario



RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 7
(3259)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	01	002		20221028 1705 1462 2238	
21	RECORD REFERENCED	FILE NUMBER	745173432		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	RENEWAL YEARS	CORRECT PERIOD
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	BLUE SKY STORAGE INC.		
25	OTHER CHANGE				
26	REASON/ DESCRIPTION	DISCHARGE TWO DEBTORS			
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/ TRANSFEREE	BUSINESS NAME	SKYMARK FINANCE CORPORATION		
06				ONTARIO CORPORATION NO.	
04/07	ADDRESS	46 VILLAGE CENTRE PLACE, SUITE 300	MISSISSAUGA	ON	L4Z1V9
29	ASSIGNOR				
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE				
09	ADDRESS				
	COLLATERAL CLASSIFICATION				
	CONSUMER	MOTOR VEHICLE	DATE OF	NO FIXED	
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	AMOUNT	MATURITY OR	MATURITY DATE
10	YEAR	MAKE	MODEL	V.I.N.	
11	MOTOR				
12	VEHICLE				
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTERING AGENT OR	TOYOTA INDUSTRIES COMMERCIAL FINANCE CANADA, INC.			
17	SECURED PARTY/ LIEN CLAIMANT	ADDRESS	630 - 401 THE WEST MALL	TORONTO	ON M9C5J5

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

CONTINUED...

8

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 8
(3260)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	02	002		20221028 1705 1462 2238	
21	RECORD FILE NUMBER	745173432			
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	RENEWAL YEARS	CORRECT PERIOD
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR / TRANSFEROR	BUSINESS NAME			
25	OTHER CHANGE				
26	REASON / DESCRIPTION				
27					
28					
02 /	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR / TRANSFEREE	BUSINESS NAME	SKYMARK FINANCE CORPORATION		
06					
04 / 07	ADDRESS	1393 GRAHAM'S LANE	BURLING	ONTARIO CORPORATION NO.	ON L7S1W4
29	ASSIGNOR				
08	SECURED PARTY / LIEN CLAIMANT / ASSIGNEE				
09	ADDRESS				
10	COLLATERAL CLASSIFICATION				
	CONSUMER	MOTOR VEHICLE	DATE OF	NO FIXED	
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	AMOUNT	MATURITY OR	MATURITY DATE
11	MOTOR	YEAR MAKE	MODEL	V.I.N.	
12	VEHICLE				
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTERING AGENT OR	TOYOTA INDUSTRIES COMMERCIAL FINANCE CANADA, INC.			
17	SECURED PARTY / LIEN CLAIMANT	ADDRESS 630 - 401 THE WEST MALL	TORONTO	ON	M9C5J5

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

CONTINUED...

9

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY /
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario



RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 9
(3261)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
716966703

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 4 20160525 1439 1590 9638 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME SKYMARK FINANCE CORPORATION ONTARIO CORPORATION NO.
04 ADDRESS 46 VILLAGE CENTRE PLACE, SUITE 300 MISSISSAUGA ON L4Z 1V9

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

08 SECURED PARTY / ENBRIDGE GAS DISTRIBUTION INC.
09 LIEN CLAIMANT ADDRESS 500 CONSUMERS ROAD NORTH YORK ON M2J 1P8

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

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

13 GENERAL ANY AND ALL BILLER PROCEEDS (AS DEFINED IN THE TRUST DEED), OR ANY
14 COLLATERAL RIGHT, TITLE OR INTEREST THEREIN OR THERETO, WHETHER NOW EXISTING OR
15 DESCRIPTION HEREFTER CREATED UP TO THE TERMINATION DATE (AS DEFINED IN THE TRUST

16 REGISTERING DENTONS CANADA LLP (AF/KPATEL)
17 AGENT ADDRESS 77 KING STREET WEST, SUITE 400 TORONTO ON M5K 0A1

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

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(ej1fv 05/2022)

Ontario 

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 10
(3262)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
716966703

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	002	4		20160525 1439 1590 9638		

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /
LIEN CLAIMANT

BNY TRUST COMPANY OF CANADA

ADDRESS

320 BAY STREET, P.O. BOX 1

TORONTO

ON M5H 4A6

COLLATERAL CLASSIFICATION

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

YEAR MAKE

MODEL

V.I.N.

MOTOR
VEHICLE

GENERAL
COLLATERAL
DESCRIPTION

DEED) AND THE BENEFICIAL INTEREST (AS DEFINED IN THE TRUST DEED) OF
THE DEBTOR IN THE TRUST PROPERTY (AS DEFINED IN THE TRUST DEED).
"TRUST DEED" MEANS THE AMENDED AND RESTATED PROCEEDS, TRANSFER,

REGISTERING
AGENT

ADDRESS

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

CONTINUED...

11

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 11
(3263)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
716966703

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	003	4		20160525 1439 1590 9638		

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /
LIEN CLAIMANT

ADDRESS

COLLATERAL CLASSIFICATION

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

YEAR MAKE MODEL V.I.N.

MOTOR
VEHICLE

GENERAL DESCRIPTION
SERVICING AND TRUST AGREEMENT DATED AS OF FEBRUARY 4, 2010 BETWEEN
ENBRIDGE GAS DISTRIBUTION INC., AS A PROVIDER OF CERTAIN SERVICES AND
AS A BENEFICIARY, THE PARTIES SET FORTH ON SCHEDULE "E" THERETO, EACH

REGISTERING
AGENT

ADDRESS

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

CONTINUED...

12

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 12
(3264)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
716966703

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	004	4		20160525 1439 1590	9638	

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /
LIEN CLAIMANT

ADDRESS

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

YEAR MAKE MODEL V.I.N.

MOTOR
VEHICLE

GENERAL AS A BENEFICIARY AND BNY TRUST COMPANY OF CANADA, AS TRUSTEE FOR THE
COLLATERAL BENEFICIARIES.
DESCRIPTION

REGISTERING
AGENT

ADDRESS

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

CONTINUED...

13

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 13
(3265)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL MOTOR VEHICLE PAGES SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	001	2	20191023 1054 1590 8217	
21	RECORD FILE NUMBER	716966703		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	RENEWAL YEARS
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	SKYMARK FINANCE CORPORATION	
25	OTHER CHANGE			
26	REASON/	TO REFLECT THE NEW NAME OF THE SECURED PARTY PURSUANT TO AN		
27	DESCRIPTION	AMALGAMATION, AND TO REPLACE THE GENERAL COLLATERAL DESCRIPTION IN		
28		ITS ENTIRETY.		
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	DEBTOR/			
03/	TRANSFeree	BUSINESS NAME		
06				ONTARIO CORPORATION NO.
04/07	ADDRESS			
29	ASSIGNOR			
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	ENBRIDGE GAS INC.		
09	ADDRESS	500 CONSUMERS ROAD	TORONTO	ON M2J 1P8
10	COLLATERAL CLASSIFICATION			
11	MOTOR VEHICLE			
12	GENERAL			
13	COLLATERAL			
14	DESCRIPTION			
15	REGISTERING AGENT OR	DENTONS CANADA LLP (RA/DAUGUSTINOVIC)		
16	SECURED PARTY/	400-77 KING STREET WEST TORONTO-DOMINION	TORONTO	ON M5K 0A1
17	LIEN CLAIMANT			

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

CONTINUED... 14

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario 

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 14
(3266)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
		PAGES SCHEDULE NUMBER UNDER
01	002	2
21	FILE NUMBER	716966703
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED
23	REFERENCE	FIRST GIVEN NAME
24	DEBTOR/ TRANSFEROR	BUSINESS NAME
25	OTHER CHANGE	
26	REASON/	
27	DESCRIPTION	
02/	DATE OF BIRTH	FIRST GIVEN NAME
05	DEBTOR/	INITIAL SURNAME
03/	TRANSFeree	BUSINESS NAME
06		ONTARIO CORPORATION NO.
04/07	ADDRESS	
29	ASSIGNOR	
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	
09	ADDRESS	
10	COLLATERAL CLASSIFICATION	
11	CONSUMER	MOTOR VEHICLE
12	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED
13	YEAR	MAKE
14	MODEL	V.I.N.
15	MOTOR VEHICLE	DATE OF MATURITY OR MATURITY DATE
16	GENERAL	
17	COLLATERAL DESCRIPTION	
18	REGISTERING AGENT OR	
19	SECURED PARTY/	ADDRESS
20	LIEN CLAIMANT	

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

CONTINUED...

15

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 15
(3267)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	01	001		20191023 1452 1590 8315	
21	RECORD REFERENCED	FILE NUMBER	716966703		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
			B RENEWAL	2	
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	SKYMARK FINANCE CORPORATION		
25	OTHER CHANGE				
26	REASON/				
27	DESCRIPTION				
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/				
03/	TRANSFeree	BUSINESS NAME			
06					
04/07	ADDRESS				
29	ASSIGNOR				
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE				
09	ADDRESS				
	COLLATERAL CLASSIFICATION				
	CONSUMER	MOTOR VEHICLE	DATE OF	NO FIXED	
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED	AMOUNT	MATURITY OR MATURITY DATE
10		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTERING AGENT OR	DENTONS CANADA LLP (RA/DAUGUSTINOVIC)			
17	SECURED PARTY/ LIEN CLAIMANT	ADDRESS	400-77 KING STREET WEST TORONTO-DOMINION TORONTO ON M5K 0A1		

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

CONTINUED... 16

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario 

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 16
(3268)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	001	1		20200914 1638 1590 1548	
21	RECORD REFERENCED	FILE NUMBER	716966703		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	RENEWAL YEARS	CORRECT PERIOD
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	SKYMARK FINANCE CORPORATION		
25	OTHER CHANGE	REASON/ DESCRIPTION	TO ADD AN ADDITIONAL SECURED PARTY.		
02/05	DEBTOR/ TRANSFEREE	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
03/06	TRANSFEE	BUSINESS NAME			ONTARIO CORPORATION NO.
04/07	ADDRESS				
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	ENBRIDGE GAS INC. O/A UNION GAS		
08	ADDRESS	500 CONSUMERS ROAD	NORTH YORK	ON	M2J 1P8
09	COLLATERAL CLASSIFICATION	CONSUMER	MOTOR VEHICLE	DATE OF MATURITY	NO FIXED MATURITY DATE
10	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED	AMOUNT	
11	MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.	
12	GENERAL				
13	COLLATERAL				
14	DESCRIPTION				
15	REGISTERING AGENT OR	DENTONS CANADA LLP (RA/RVENTURO)			
16	SECURED PARTY/ LIEN CLAIMANT	ADDRESS	400-77 KING STREET WEST TORONTO-DOMINION TORONTO	ON	M5K 0A1

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

CONTINUED... 17

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 17
(3269)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
705470796

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20150427 1446 6083 2765 P PPSA 4

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME SKYMARK FINANCE CORPORATION ONTARIO CORPORATION NO.
04 ADDRESS 46 VILLAGE CENTRE PLACE 3RD FLOOR MISSISSAUGA ON L4Z 1V9

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

08 SECURED PARTY / SPROTT BRIDGING INCOME FUND LP
09 LIEN CLAIMANT ADDRESS 77 KING STREET WEST SUITE 2925 TORONTO ON M5K 1K7

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

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

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING KORMANS LLP
17 AGENT ADDRESS 46 VILLAGE CENTRE PLACE MISSISSAUGA ON L4Z 1V9

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

CONTINUED... 18

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 18
(3270)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	001	001		20181116 1010 1862 6674	
21	RECORD FILE NUMBER	705470796			
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED A AMENDMENT	RENEWAL YEARS	CORRECT PERIOD
23	REFERENCE		FIRST GIVEN NAME	INITIAL	SURNAME
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	SKYMARK FINANCE CORPORATION		
25	OTHER CHANGE	AMENDED TO ADD AN ADDITIONAL SECURED PARTY TO THE REGISTRATION.			
26	REASON/ DESCRIPTION				
27					
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/ TRANSFEREE	BUSINESS NAME			
03/			ONTARIO CORPORATION NO.		
06					
04/07	ADDRESS				
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			
08		BRIDGING FINANCE INC., AS AGENT			
09	ADDRESS	77 KING STREET WEST, SUITE 2925	TORONTO	ON	M5K 1K7
	COLLATERAL CLASSIFICATION				
	CONSUMER	MOTOR VEHICLE	DATE OF	NO FIXED	
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED	AMOUNT	MATURITY OR MATURITY DATE
10					
	YEAR	MAKE	MODEL	V.I.N.	
11	MOTOR				
12	VEHICLE				
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTERING AGENT OR	WILDEBOER DELLELCE LLP (PA-M)			
17	SECURED PARTY/ LIEN CLAIMANT	ADDRESS	365 BAY STREET, SUITE 800	TORONTO	ON M5H 2V1

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

CONTINUED... 19

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)



RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111850.03

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

REPORT : PSSR060
PAGE : 19
(3271)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
		PAGES SCHEDULE NUMBER UNDER
01	001	001 20181116 1010 1862 6675
21	RECORD FILE NUMBER	705470796
	PAGE AMENDED	NO SPECIFIC PAGE AMENDED
22		X
	CHANGE REQUIRED	B RENEWAL
	RENEWAL YEARS	5
	CORRECT PERIOD	
23	REFERENCE	FIRST GIVEN NAME INITIAL SURNAME
24	DEBTOR/ TRANSFEROR	BUSINESS NAME SKYMARK FINANCE CORPORATION
25	OTHER CHANGE	
26	REASON/	
27	DESCRIPTION	
28		
02/	DATE OF BIRTH	FIRST GIVEN NAME INITIAL SURNAME
05	DEBTOR/	
03/	TRANSFeree	BUSINESS NAME
06		ONTARIO CORPORATION NO.
04/07	ADDRESS	
29	ASSIGNOR	
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	
09	ADDRESS	
	COLLATERAL CLASSIFICATION	
	CONSUMER	MOTOR VEHICLE
	GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10	YEAR MAKE	MODEL V.I.N.
11	MOTOR	
12	VEHICLE	
13	GENERAL	
14	COLLATERAL	
15	DESCRIPTION	
16	REGISTERING AGENT OR	WILDEBOER DELLELCE LLP (PA-M)
17	SECURED PARTY/	ADDRESS 365 BAY STREET, SUITE 800
	LIEN CLAIMANT	TORONTO ON M5H 2V1

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

CONTINUED... 20

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario

RUN NUMBER : 362
RUN DATE : 2022/12/28
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PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

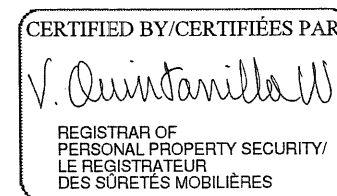
REPORT : PSSR060
PAGE : 20
(3272)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : SKYMARK FINANCE CORPORATION
FILE CURRENCY : 27DEC 2022

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
789442731	20221220 1114 1590 3994			
781370991	20220324 0921 1590 4072			
745173432	20181025 1407 1462 9988	20221028 1705 1462 2238		
716966703	20160525 1439 1590 9638	20191023 1054 1590 8217	20191023 1452 1590 8315	20200914 1638 1590 1548
705470796	20150427 1446 6083 2765	20181116 1010 1862 6674	20181116 1010 1862 6675	

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



(crfj6 05/2022)



This is Exhibit "I" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'AD', is written over a horizontal line.

A Commissioner for taking affidavits

ADAM DRIEDGER

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as the same may be amended, restated, supplemented or replaced, from time to time, this "Agreement") is dated with effect as of this 7th day of July, 2017 and executed and delivered by SKYMARK FINANCE CORPORATION (the "Debtor") to and in favour of BRIDGING FINANCE INC. as agent for SPROTT BRIDGING INCOME FUND LP and the other lenders from time to time under the Loan Agreement (as defined below) (collectively, the "Agent").

RECITALS:

- A. The Debtor is or is about to become indebted to the Agent pursuant to a letter credit agreement among, *inter alios*, the Debtor and the Agent dated with effect as of the date hereof (as further amended, supplemented, replaced or restated from time to time, the "Loan Agreement"); and
- B. As security for the obligations of the Debtor under the Loan Agreement, the Agent has required the Debtor to grant to the Agent and to create a security interest in all personal property of the Debtor, as hereinafter provided as security for the payment and performance of the obligations and liabilities of the Debtor to the Agent.

NOW THEREFORE, in consideration of the extension of credit by the Agent to the Debtor, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor covenants and agrees to and in favour of the Agent as follows:

ARTICLE 1 - DEFINITIONS; INTERPRETATION

1.1 Defined Terms

Except as otherwise expressly provided herein, capitalized terms used in this Agreement but not defined herein shall have the meanings assigned to such terms in the Loan Agreement. In this Agreement, unless the context expressly or by necessary implication otherwise requires, the following terms shall have the meanings set forth below:

"Event of Default" shall mean: (a) the occurrence of any Event of Default (as such term is defined in the Loan Agreement); or (b) the issuance of a demand for repayment by the Agent.

"Person" means a "person" as defined in the Loan Agreement.

1.2 Terms Defined in Ontario Personal Property Security Act

Where applicable and except as defined herein, terms used herein shall have the meanings assigned to them in the *Personal Property Security Act* as the same may, from time to time, be in effect in the Province of Ontario (the "PPSA"). Such terms include: "accounts", "chattel paper", "documents of title", "equipment", "intangibles",

"instruments", "inventory", "investment property", "money", "proceeds" and "security".

ARTICLE 2 - GRANT OF SECURITY INTEREST; COLLATERAL

2.1 Grant of Security Interest

As security for the payment and performance of the Secured Obligations (as defined in Section 3), the Debtor hereby grants to the Agent a security interest in, to and under all of its personal property, wherever located and whether now existing or hereafter acquired or arising, including, without limitation, the following property (collectively and severally, the "**Collateral**");

- (a) all present and future investment property held by the Debtor, including securities, security entitlements, securities accounts, future contracts, future accounts, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation or interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefore, and subject to Section 6.3, dividends and income derived therefrom, all of which are herein called the "**Pledged Collateral**";
- (b) all accounts and book debts of the Debtor, chattel paper, documents of title, instruments, and intangibles of the Debtor, including all debts, dues, claims choses in action and demands of every nature and kind, howsoever arising or secured, including letters of credit, guarantees and advices of credit that are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, and all supporting obligations of any or all of the forgoing ("**Accounts**");
- (c) all inventory of the Debtor, including all merchandise, goods and other personal property that are held for sale or lease or that have been leased by the Debtor or that are to be furnished under a contract of service, all raw materials, work in process, materials used or consumed in the Debtor's business and finished goods, all goods in which the Debtor has an interest in mass or a joint or other interest or gifts of any kind (including goods in which the Debtor has an interest or right as consignee), and all goods which are returned to or repossessed by the Debtor, together with all additions and accessions thereto and replacements therefor and products thereof and documents therefor ("**Inventory**");
- (d) all equipment of the Debtor and all parts thereof and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor, including, all machinery, tools, dies, blueprints, catalogues, computer hardware and software, furniture, furnishings, vehicles and fixtures ("**Equipment**");
- (e) all Intellectual Property Collateral (as defined in Section 7.3);

- (f) all money maintained in a deposit or other account in the Debtor's name with any financial institution, and all certificates, instruments and other writings, if any, from time to time representing, evidencing or deposited into such accounts, and all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing;
- (g) all now existing and hereafter arising contracts and agreements to which the Debtor is party (each, an "**Assigned Agreement**"), including, without limitation, all rights of the Debtor to receive moneys due and to become due under or pursuant to the Assigned Agreements, all rights of the Debtor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the Assigned Agreements, all claims of the Debtor for damages arising out of or for breach of or default under the Assigned Agreements, and all rights of the Debtor to terminate, amend, supplement or modify the Assigned Agreements, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder; *provided, however*, that with respect to any such contract or agreement where the grant of a security interest in the Debtor's right, title and interest therein is prohibited by the terms thereof, or would give any other party the right to terminate its obligations thereunder, or is not permitted because any necessary consent to such grant has not been obtained, the Collateral shall include only the rights of the Debtor to receive moneys due and to become due, if any, under or pursuant to such contract or agreement;
- (h) all books, records, writings, databases, information and other property relating to, used or useful in connection with, embodying, incorporating or referring to, any of the foregoing Collateral;
- (i) all cash and cash equivalents held by the Debtor not otherwise included in the foregoing Collateral; and
- (j) all products and proceeds of the foregoing Collateral (with the term "**proceeds**" having the meaning provided in the PPSA and also including any voluntary or involuntary disposition, and all rights to payment, including return premiums, with respect to any insurance).

2.2 Excluded Collateral

Notwithstanding Section 2.1, the Collateral shall not include: (a) any property held in trust by the Debtor and lawfully belonging to others, (b) the last day of the term of any lease of real property, provided that the Debtor shall stand possessed of such last day and shall assign and transfer such interest as instructed by the Agent; (c) the interests described in the proviso to Section 2.1(g); or with respect to Section 2.1(c), any consumer goods used as such by the Debtor.

2.3 Debtor Remains Liable

Anything herein to the contrary notwithstanding, (a) the Debtor shall remain liable under all Assigned Agreements, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Agent of any of the rights hereunder shall not release the Debtor from any of its duties or obligations under such Assigned Agreements, and (c) the Agent shall not have any obligation or liability under any Assigned Agreements by reason of this Agreement, nor shall the Agent be obligated to perform any of the obligations or duties of the Debtor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Collateral hereunder.

2.4 Continuing Security Interest

The Debtor agrees that this Agreement shall create a general collateral continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 10.14.

2.5 Attachment

The Debtor and the Agent intend that the security interest created hereby attaches to existing Collateral upon the execution of this Agreement and that the security interest will attach to Collateral acquired after the date of execution of this Agreement at the time that the Debtor acquires rights in that Collateral. The Debtor and the Agent agree that value has been given. The Debtor represents and warrants that it has rights in the existing Collateral.

ARTICLE 3 - SECURED OBLIGATIONS

3.1 Secured Obligations

The obligations secured by this Agreement shall consist of all indebtedness, obligations and liabilities of the Debtor to the Agent, including, without limitation, those arising under, in connection with, and relating to the Credit Documents, whether now existing or hereafter arising, as principal or surety, voluntary or involuntary, whether or not jointly owed with others, direct or indirect, absolute or contingent, liquidated or unliquidated, and whether or not from time to time decreased or extinguished and later increased, created or incurred, together with all expenses (including reasonable legal fees on a solicitor and client basis) incurred by the Agent, any receiver, receiver-manager or agent in the preparation, perfection and enforcement of security and other agreements held by the Agent in respect of such obligations and liabilities and interest thereon (all of which obligations, liabilities, expenses and interest are referred to collectively as the "**Secured Obligations**").

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

In addition to all representations and warranties of the Debtor set forth in the Credit Documents, which are incorporated herein by this reference, the Debtor hereby represents and warrants that:

4.1 Sole Owner

The Debtor is the sole owner of and has good and marketable title to the Collateral (or will be the sole owner of and will have good and marketable title to, in the case of after-acquired Collateral).

4.2 No Adverse Claim

No Person has (or, in the case of after-acquired Collateral, at the time the Debtor acquires rights therein, will have) any right, title, claim or interest (by way of security interest or other Encumbrance, adverse rights or claims or other encumbrances) in, against or to the Collateral other than Permitted Encumbrances.

4.3 Full Disclosure

All information herein supplied to the Agent by or on behalf of the Debtor with respect to the Collateral is accurate and complete in all material respects as of the date hereof.

4.4 Delivery of Collateral

The Debtor has delivered to the Agent all instruments and chattel paper and other items of Collateral in which a security interest is or may be perfected by possession, together with such additional writings, including assignments, with respect thereto as the Agent shall request.

4.5 Intellectual Property

All of the patents, trade-marks, and copyrights of the Debtor have been registered or applied to be registered with the United States Patent and Trademark Office, the United States Copyright Office or the Canadian Intellectual Property Office, as appropriate.

4.6 Chief Executive Office; Trade Names; Collateral Location; Records Location

The Debtor's chief executive office is in the Province of Ontario; the only trade name(s) or style(s) used by the Debtor are listed on **Schedule "A"**; and, the Debtor's records concerning the Collateral are located at its chief executive office. The Debtor has not, except as disclosed on **Schedule "A"** hereto, at any time in the past: (a) been known as or used any other corporate, trade or fictitious name; (b) changed its name; (c) been the surviving or resulting corporation in a merger or consolidation; or (d) acquired through asset purchase or otherwise any business of any Person.

4.7 Enforceability; Priority of Security Interest

- (a) This Agreement creates a security interest which is enforceable against the Collateral in which the Debtor now has rights and will create a security interest which is enforceable against the Collateral in which the Debtor hereafter acquires rights at the time the Debtor acquires any such rights; and (b) other than Permitted Encumbrances, the Agent has a perfected and first priority security interest in the Collateral, in which the Debtor now has rights, and will have a perfected and first priority security interest in the Collateral in which the Debtor hereafter acquires rights at the time the Debtor acquires any such rights, in each case securing the payment and performance of the Secured Obligations.

4.8 Rights to Payment

- (a) The Accounts and any and all of the Debtor's rights and claims to the payment or receipt of money or other forms of consideration of any kind in, to and under or with respect to its chattel paper, documents of title, intangibles, instruments, proceeds and supporting obligations (collectively, "**Rights to Payment**") represent valid, binding and enforceable obligations of the account debtors or other Persons obligated thereon, representing undisputed, *bona fide* transactions completed in accordance with the terms and provisions contained in any documents related thereto, and are genuine, free from any Lien and not subject to any adverse claims, counterclaims, setoffs, defaults, disputes, defenses, discounts, retainages, holdbacks or conditions precedent of any kind of character, except to the extent reflected by the Debtor's reserves for uncollectible Rights to Payment or to the extent, if any, that such account debtors or other Persons may be entitled to normal and ordinary course trade discounts, returns, adjustments and allowances in accordance with Section 5.13 or as otherwise disclosed to the Agent in writing;
- (b) to the best of the Debtor's knowledge, all account debtors and other obligors on the Rights to Payment are solvent and generally paying their debts as they come due;
- (c) all Rights to Payment comply with all applicable laws concerning form, content and manner of preparation and execution, including where applicable any federal or state consumer credit laws;
- (d) the Debtor has not assigned any of its rights under the Rights to Payment other than Permitted Encumbrances as provided in this Agreement or as set forth in the other Credit Documents;
- (e) all statements made, all unpaid balances and all other information in the Debtor's books and other documentation relating to the Rights to Payment are true and correct and in all respects what they purport to be; and
- (f) the Debtor has no knowledge of any fact or circumstance which would impair the validity or collectibility of any of the Rights to Payment.

4.9 Inventory

No inventory is stored with any bailee, warehouseman or similar Person or on any premises leased to the Debtor, nor has any inventory been consigned to the Debtor or consigned by the Debtor to any Person or is held by the Debtor for any Person under any "bill and hold" or other arrangement, except as disclosed to the Agent in writing.

4.10 Equipment

- (a) none of the Equipment or other Collateral is affixed to real property except Collateral with respect to which the Debtor has supplied the Agent with all information and documentation necessary to make all fixture filings required to perfect and protect the priority of the Agent's security interest in all such Collateral which may be fixtures as against all Persons having an interest in the premises to which such property may be affixed; and
- (b) none of the Equipment is leased from or to any Person, except as otherwise disclosed to the Agent.

4.11 Valid Issuance of Pledged Collateral

All the Pledged Collateral have been, and upon issuance any Pledged Collateral will be, duly and validly issued, and are and will be fully paid and non assessable.

4.12 Capitalization of the Pledged Subsidiary

The Pledged Collateral constitutes 100% of the issued and outstanding shares of capital stock and other ownership interests of the various issuers owned by the Debtor (which, as of the date hereof, constitutes 100% of the issued and outstanding shares of capital stock and other ownership interests of each issuer).

4.13 Options, Warrants, Etc.

Other than pursuant to the Credit Documents, no securities convertible into or exchangeable for any shares of capital stock or other ownership interests of any issuer, or any options, warrants or other commitments entitling any Person to purchase or otherwise acquire any shares of capital stock or other ownership interests of any issuer, are issued and outstanding.

4.14 Transfer Restrictions

Subject to Permitted Encumbrances, there are no restrictions on the transferability of the Pledged Collateral to the Agent or with respect to the foreclosure, transfer or disposition thereof by the Agent.

4.15 Shareholders Agreements

Subject to Permitted Encumbrances, there are no shareholders, partners or members agreements, voting trusts, proxy agreements or other agreements or understandings which affect or relate to the voting or giving of written consents with respect to any of the Pledged Collateral.

4.16 Pledged Collateral

The Debtor is not in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which the Debtor is a party relating to the Pledged Collateral pledged by it, and the Debtor is not in violation of any other provisions of any such agreement to which the Debtor is a party, or otherwise in default or violation thereunder. No Pledged Collateral pledged by the Debtor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against the Debtor by any Person with respect thereto, and as of the date hereof, there are no certificates, instruments, documents or other writings (other than the organizational documents and certificates, if any, delivered to the Agent and the Agents) which evidence any Pledged Collateral of the Debtor.

4.17 No Violation of Securities Laws

None of the shares in the capital of the Debtor or the Pledged Collateral has been issued, converted or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which they may be subject.

4.18 Control Agreements

No control agreements exist with respect to any Collateral other than any control agreements in favour of the Agent.

4.19 Leases

The Debtor is not and will not become a lessee under any real property lease or enter into any customer agreement or other agreement governing the location of Collateral at the premises of another Person pursuant to which the lessor or such other Person may obtain any rights in any of the Collateral, and no such lease or other such agreement now prohibits, restrains, impairs or will prohibit, restrain or impair such Debtor's right to remove any Collateral from the premises at which such Collateral is situated, except for the usual and customary restrictions contained in such leases of real property.

ARTICLE 5 - COVENANTS AND AGREEMENTS

In addition to all covenants and agreements of the Debtor set forth in the Credit Documents, which are incorporated herein by this reference, the Debtor hereby agrees, at no cost or expense to the Agent:

5.1 Preservation of Security Interest

To do all acts (other than acts which are required to be done by the Agent) that may be necessary to maintain, preserve and protect the Collateral and the first (subject to Permitted Encumbrances) priority, perfected security interest of the Agent therein.

5.2 Actions and Proceedings

To appear in and defend any action or proceeding which may affect its title to or the Agent's interest in the Collateral.

5.3 Use of Collateral

Not to use any Collateral, or permit any Collateral to be used, unlawfully or in violation of any provision of this Agreement, any other agreement with the Agent related hereto, or any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Debtor or affecting any of the Collateral or any contractual obligation affecting any of the Collateral.

5.4 Shareholders Agreements

Except for the shareholders agreement existing as of the date hereof and disclosed to the Agent in writing, the Debtor has not entered and will not enter into any shareholders, partners or members agreement, voting trust, proxy agreement or other agreement or understanding which affects or relates to the voting or giving of written consents with respect to any of the shares in the capital of the Debtor or the Pledged Collateral without the prior written consent of the Agent.

5.5 Issuance of Additional Shares

The Debtor will not consent to or approve, or allow any subsidiary to consent to or approve, of the issuance to any person or entity of any additional shares of any class of capital stock or other ownership interests of the Debtor or any of its subsidiaries, or of any securities convertible into or exchangeable for any such shares or other ownership interests, or any warrants, options or other rights to purchase or otherwise acquire any such shares or other ownership interests, except as approved in writing by the Agent.

5.6 Transfer of Collateral; Liens

Not to surrender or lose possession of (other than to the Agent), sell, encumber, lease, rent, or otherwise dispose of or transfer any Collateral or right or interest therein except as expressly provided herein and in the Credit Documents, and to keep the Collateral free of all Liens except Permitted Encumbrances and as expressly permitted by the Credit Documents or otherwise approved in writing by the Agent; *provided, however*, that, unless an Event of Default shall have occurred under any of the Credit Documents, the Debtor may, in the ordinary course of business, sell or lease (provided it registers and perfects any primary lease or conditional sale agreement in accordance with applicable law) any Collateral consisting of inventory.

5.7 Delivery of Collateral

To account fully for and promptly deliver to the Agent, in the form received, all documents, chattel paper, all certificated securities with respect to investment property, instruments and agreements constituting Collateral hereunder, and all proceeds of the Collateral received, all endorsed to the Agent or in blank, as requested by the Agent, and accompanied by such stock powers as appropriate and until so delivered all such documents, instruments, agreements and proceeds shall be held by the Debtor in trust for the Agent, separate from all other property of the Debtor.

5.8 Records

To keep separate, accurate and complete records of the Collateral and to provide the Agent with such records and such other reports and information relating to the Collateral as the Agent may reasonably request from time to time. To keep the records concerning the Collateral at the location(s) referred to in Section 4.6 and not to remove such records from such location(s) without the prior written consent of the Agent.

5.9 Chief Executive Office; Names

To give the Agent thirty (30) days' prior written notice of any change in the Debtor's chief executive office or legal name or trade name(s) or style(s).

5.10 Location of Collateral

To keep the Collateral at its current location(s) and not to remove the Collateral from such locations (other than disposals of Collateral expressly permitted by the Credit Documents).

5.11 Maintenance of Collateral

To keep the Collateral in good condition and repair (normal wear and tear excepted) and not to cause or permit any waste or unusual or unreasonable depreciation of the Collateral.

5.12 Leased Premises

At the Agent's request, to use commercially reasonable efforts to obtain from each Person from whom the Debtor leases any premises or supplies any customer at which any Collateral is at any time present such collateral access, subordination, waiver, consent and estoppel agreements as the Agent may require, in form and substance satisfactory to the Agent.

5.13 Rights to Payment

To:

- (a) with such frequency as the Agent may reasonably require, furnish to the Agent full and complete reports, in form and substance satisfactory to the Agent, with respect to the Accounts, including information as to concentration, aging, identity of account debtors, letters of credit securing Accounts, disputed Accounts and other matters, as the Agent shall request;
- (b) give only normal discounts, allowances and credits as to Accounts and other Rights to Payment, in the ordinary course of business, according to normal trade practices utilized by the Debtor in the past, and enforce all Accounts and other Rights to Payment strictly in accordance with their terms, and take all such action to such end as may from time to time be reasonably requested by the Agent, except that the Debtor may grant any extension of the time for payment or enter into any agreement to make a rebate or otherwise to reduce the amount owing on or with respect to, or compromise or settle for less than the full amount thereof, any Account or other Right to Payment, in the ordinary course of business, according to normal trade practices utilized by the Debtor in the past;
- (c) if any discount, allowance, credit, extension of time for payment, agreement to make a rebate or otherwise to reduce the amount owing on, or compromise or settle, an Account or other Right to Payment exists or occurs, or if, to the knowledge of the Debtor, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to an Account or other Right to Payment, disclose such fact fully to the Agent in the books relating to such Account or other Right to Payment and in connection with any invoice or report furnished by the Debtor to the Agent relating to such Account or other Right to Payment;
- (d) if any Accounts arise from contracts with the United States or any department, agency or instrumentality thereof, or the government of Canada, immediately notify the Agent thereof and execute any documents and instruments and take any other steps requested by the Agent in order that all monies due and to become due thereunder shall be assigned to the Agent and notice thereof given to the appropriate authorities under the *Federal Assignment of Claims Act* of the United States of America or the *Financial Administration Act* of Canada;
- (e) in accordance with its sound business judgment, perform and comply in all material respects with its obligations in respect of the Accounts and other Rights to Payment;
- (f) upon the request of the Agent (i) at any time, notify all or any designated portion of the account debtors and other obligors on the Rights to Payment of the security interest hereunder, and (ii) upon the occurrence of an Event of Default, notify the account debtors and other obligors on the Rights to Payment or any designated portion thereof that payment shall be made directly to the Agent or to such other Person or location as the Agent shall specify; and

- (g) upon the occurrence of any Event of Default, establish such lockbox or similar arrangements for the payment of the Accounts and other Rights to Payment as the Agent shall require.

5.14 Inventory

To:

- (a) at such times as the Agent shall request or as may be required under the Credit Documents, prepare and deliver to the Agent a report of all Inventory, in form and substance satisfactory to the Agent;
- (b) upon the request of the Agent, take a physical listing of the Inventory and promptly deliver a copy of such physical listing to the Agent; and
- (c) not store any Inventory with a bailee, warehouseman or similar Person or on premises leased to the Debtor, nor dispose of any Inventory on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment or similar basis, nor acquire any Inventory from any Person on any such basis, without in each case giving the Agent prior written notice thereof.

5.15 License Agreement and Other Assigned Agreements

To:

- (a) deliver to the Agent, promptly upon request therefrom (i) copies of the Assigned Agreements and (ii) all material notices, requests and other documents received by the Agent in respect of the Assigned Agreements; *provided, however*, that the Debtor shall deliver to the Agent copies of all material notices, requests and other documents received by the Debtor in respect of the Assigned Agreements promptly upon receipt thereof and without the need for a specific request therefor from the Agent;
- (b) perform and observe, in all material respects, all terms and provisions of the Assigned Agreements to be performed or observed by it and enforce the Assigned Agreements in accordance with their terms; and
- (c) without the prior written consent of the Agent, not take any action to amend or terminate, or waive compliance with any of the terms of the Assigned Agreements.

ARTICLE 6 - AUTHORIZED ACTION BY THE AGENT; RIGHTS TO PAYMENT

6.1 Authorized Action by the Agent

The Debtor hereby agrees that following the occurrence of an Event of Default, without presentment, notice or demand, and without affecting or impairing in any way the rights of the Agent with respect to the Collateral, the obligations of the Debtor hereunder or the

Secured Obligations, the Agent may, but shall not be obligated to and shall incur no liability to the Debtor or any third party for failure to, take any action that the Debtor is obligated by this Agreement to do and to exercise such rights and powers as the Debtor might exercise with respect to the Collateral, and the Debtor hereby irrevocably appoints the Agent as its attorney-in-fact to exercise such rights and powers, including, without limitation, the power and authority to:

- (a) collect by legal proceedings or otherwise and endorse, receive and receipt for all dividends, interest, payments, proceeds and other sums and property now or hereafter payable on or on account of the Collateral;
- (b) enter into any extension, reorganization, deposit, merger, consolidation or other agreement pertaining to, or deposit, surrender, accept, hold or apply other property in exchange for the Collateral;
- (c) insure, process and preserve the Collateral;
- (d) transfer the Collateral to its own or its nominee's name;
- (e) make any compromise or settlement, and take any action it deems advisable, with respect to the Collateral; and
- (f) notify any obligor on any Collateral to make payment directly to the Agent.

The foregoing power of attorney is coupled with an interest and irrevocable so long as the Agent has any obligation to make any credit facility available or the Secured Obligations have not been indefeasibly paid and performed in full. The Debtor hereby ratifies, to the extent permitted by law, all that the Agent shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 6.1. The Debtor agrees to reimburse the Agent upon demand for any costs and expenses, including reasonable legal fees, the Agent may incur while acting as the Debtor's attorney-in-fact hereunder, all of which costs and expenses are included in the Secured Obligations.

6.2 Collection of Rights to Payment

Until the Agent exercises its rights hereunder to collect Rights to Payment, the Debtor shall endeavor in the first instance diligently to collect all amounts due or to become due on or with respect to the Rights to Payment. At the request of the Agent, upon and after the occurrence of any Event of Default, all remittances received by the Debtor shall be and shall be deemed to be held separate and apart and in trust exclusively for the Agent and, in accordance with the Agent's instructions, remitted to the Agent in the form received (with any necessary endorsements or instruments of assignment or transfer).

6.3 Investment Property and Instruments

Upon and after the occurrence of any Event of Default, the Agent shall be entitled to receive all distributions and payments of any nature with respect to any investment property or instruments, and all such distributions or payments received by the Debtor

shall be and shall be deemed to be held separate and apart and in trust exclusively for the Agent and, in accordance with the Agent's instructions, remitted to the Agent in the form received (with any necessary endorsements or instruments of assignment or transfer). Following the occurrence of an Event of Default any such distributions and payments with respect to any investment property held in any securities account shall be held and retained in such securities account, in each case as part of the Collateral hereunder. Additionally, the Agent shall have the right, upon the occurrence of an Event of Default, following prior written notice to the Debtor, to vote and to give consents, ratifications and waivers with respect to any investment property and instruments of the Debtor, and to exercise all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining thereto, as if the Agent were the absolute owner thereof; *provided* that the Agent shall have no duty to exercise any of the foregoing rights afforded to it and shall not be responsible to the Debtor or any other Person for any failure to do so or delay in doing so.

ARTICLE 7 - ADDITIONAL PROVISIONS REGARDING INTELLECTUAL PROPERTY

7.1 Additional Representations and Warranties

The Debtor represents and warrants to the Agent as follows:

- (a) Except as disclosed to the Agent in the Credit Documents, the Debtor (directly or through any subsidiary) does not own, possess or use under any licensing arrangement any patents, copyrights, trade-marks, service marks or trade names, nor is there currently pending before any governmental authority any application for registration of any patent, copyright, trade-mark, service mark or trade name;
- (b) all patents, copyrights, trade-marks, service marks and trade names are subsisting and have not been adjudged invalid or unenforceable in whole or in part;
- (c) all maintenance fees required to be paid on account of any patents have been timely paid for maintaining such patents in force, and, to the best of the Debtor's knowledge, each of the patents is valid and enforceable and the Debtor has notified the Agent in writing of all prior disputes, sales and licenses (including public uses and sales) of which it is aware;
- (d) to the best of the Debtor's knowledge after due inquiry, no material infringement or unauthorized use presently is being made of any Intellectual Property Collateral by any Person;
- (e) the Debtor is the sole and exclusive owner of the Intellectual Property Collateral and the past, present and contemplated future use of such Intellectual Property Collateral by the Debtor has not, does not and will not infringe or violate any right, privilege or license agreement of or with any other Person; and
- (f) the Debtor owns, has material rights under, is a party to, or an assignee of a party to all material licenses, patents, patent applications, copyrights, service marks,

trade-marks, trade-mark applications, trade names and all other Intellectual Property Collateral necessary to continue to conduct its business as heretofore conducted.

7.2 Additional Covenants

The Debtor will:

- (a) not allow or suffer any Intellectual Property Collateral to become abandoned, nor any registration thereof to be terminated, forfeited, expired or dedicated to the public, except as shall be reasonable and appropriate in accordance with prudent business practice;
- (b) promptly give the Agent notice of any rights the Debtor may obtain to any new patentable inventions, copyrightable works or other new Intellectual Property Collateral, prior to the filing of any application for registration thereof;
- (c) without limiting the generality of clause (b), not register with the U.S. Copyright Office or the Canadian Intellectual Property Office any unregistered copyrights (whether in existence on the date hereof or thereafter acquired, arising, or developed) unless the Debtor provides the Agent with written notice of its intent to register such copyrights not less than thirty (30) days prior to the date of the proposed registration; and
- (d) diligently prosecute all applications for patents, copyrights and trade-marks, and file and prosecute any and all continuations, continuations-in-part, applications for reissue, applications for certificate of correction and like matters as shall be reasonable and appropriate in accordance with prudent business practice, and promptly and timely pay any and all maintenance, license, registration and other fees, taxes and expenses incurred in connection with any Intellectual Property Collateral.

7.3 Additional Definition

As used in this Agreement, "**Intellectual Property Collateral**" means the following properties and assets owned or held by the Debtor or in which the Debtor otherwise has any interest, now existing or hereafter acquired or arising:

- (a) all patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;
- (b) all copyrights and applications for copyright, domestic or foreign, together with the underlying works of authorship (including titles), whether or not the underlying works of authorship have been published and whether said copyrights are statutory or arise under the common law, and all other rights and works of

authorship, all computer programs, computer databases, computer program flow diagrams, source codes, object codes and all tangible property embodying or incorporating any copyrights, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, and all other rights, claims and demands in any way relating to any such copyrights or works, including royalties and rights to sue for past, present or future infringement, and all rights of renewal and extension of copyright;

- (c) all state and provincial (including common law), federal and foreign trade-marks, service marks and trade names, and applications for registration of such trade-marks, service marks and trade names, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;
- (d) all trade secrets, trade dress, trade styles, logos, other source of business identifiers, mask-works, mask-work registrations, mask-work applications, software, confidential information, customer lists, license rights, advertising materials, operating manuals, methods, processes, know-how, algorithms, formulae, databases, quality control procedures, product, service and technical specifications, operating, production and quality control manuals, sales literature, drawings, specifications, blue prints, descriptions, inventions, name plates and catalogs;
- (e) the entire goodwill of or associated with the businesses now or hereafter conducted by the Debtor connected with and symbolized by any of the aforementioned properties and assets; and
- (f) all accounts, all intangible intellectual or other similar property and other general intangibles associated with or arising out of any of the aforementioned properties and assets and not otherwise described above.

ARTICLE 8 - REMEDIES; NOTICE OF SALE; RECEIVERS

8.1 Remedies

Upon the occurrence of an Event of Default, the Agent may at its option, without notice to or demand on the Debtor and in addition to all rights and remedies available to the Agent with respect to the Secured Obligations, at law, in equity or otherwise, do any one or more of the following:

- (a) foreclose or otherwise enforce the Agent's security interest in any manner permitted by law or provided for in this Agreement;
- (b) sell, lease or otherwise dispose of any Collateral at one or more public or private sales at the Agent's place of business or any other place or places, including any broker's board or securities exchange, whether or not such Collateral is present at

the place of sale, for cash or credit or future delivery, on such terms and in such manner as the Agent may determine;

- (c) use or transfer the Debtor's rights and interests in any Intellectual Property Collateral by license, by sublicense (to the extent permitted by an applicable license), assignment or otherwise, on such conditions and in such manner as the Agent may determine;
- (d) recover from the Debtor all costs and expenses, including reasonable legal fees and disbursements, incurred or paid by the Agent in exercising any right, power or remedy provided by this Agreement;
- (e) require the Debtor to assemble the Collateral and make it available to the Agent at a place to be designated by the Agent;
- (f) enter onto property where any Collateral is located and take possession thereof with or without judicial process; and
- (g) prior to the disposition of the Collateral, store, process, repair or recondition it or otherwise prepare it for disposition in any manner and to the extent the Agent deems appropriate and in connection with such preparation and disposition, without charge, use any trade-mark, tradename, copyright, patent or technical process used by the Debtor.

8.2 Notice of Sale

The Debtor shall be given ten (10) Business Days prior notice of the time and place of any public sale or of the time after which any private sale or other intended disposition of Collateral is to be made, which notice the Debtor hereby agrees shall be deemed reasonable notice thereof. Upon any sale or other disposition pursuant to this Agreement, the Agent shall have the right to deliver, assign and transfer to the purchaser thereof, the Collateral or portion thereof so sold or disposed of. The Agent shall have the right upon any public sale, and, to the extent permitted by law, upon any private sale, to purchase the whole or any part of the Collateral so sold. Each purchaser at any such sale or other disposition (including the Agent) shall hold the Collateral free from any claim or right of whatever kind, including any equity or right of redemption of the Debtor and the Debtor specifically waives (to the extent permitted by applicable law) all rights of redemption, stay or appraisal which it has or may have under any rule of law or statute now existing or hereafter adopted.

8.3 License

For the purpose of enabling the Agent to exercise its rights and remedies under Section 8.1 or otherwise in connection with this Agreement, the Debtor hereby grants to the Agent an irrevocable, non-exclusive and assignable license (exercisable without payment or royalty or other compensation to the Debtor) or (to the extent permitted by the applicable license) sublicense to use, license or sublicense any Intellectual Property

Collateral, subject with respect to trade-marks to reasonable and appropriate quality control provisions.

8.4 Appointment of Receiver

The Agent may, in addition to any other rights it may have, appoint by instrument in writing a receiver, monitor, consultant, liquidator or receiver and manager (all of which are herein called a "**Receiver**") of all or any part of the Collateral or may institute proceedings in any court of competent jurisdiction for the appointment of such a Receiver. Any such Receiver is hereby given and shall have the same powers and rights and exclusions and limitations of liability as the Agent has under this Agreement, at law or in equity. In exercising any such powers, any such Receiver shall, to the extent permitted by applicable law, act as and for all purposes be deemed to be the agent of the Debtor, and the Agent shall not be responsible for any act or default of any such Receiver. The Agent may appoint one or more Receivers hereunder and may remove any such Receiver or Receivers and appoint another or others in his or their stead from time to time. Any Receiver so appointed may be an officer or employee of the Agent. A court need not appoint, ratify the appointment by the Agent of or otherwise supervise in any manner the actions of any Receiver. Upon the Debtor receiving notice from the Agent of the taking of possession of the Collateral or the appointment of a Receiver, all powers, functions, rights and privileges of the Debtor and, to the extent permitted by applicable law, its directors and officers with respect to the Collateral shall cease, unless specifically continued by the written consent of the Agent.

8.5 Carrying on Business

The Agent may carry on, or concur in the carrying on of, all or any part of the business or undertaking of the Debtor, may, subject to the rights and liens of third parties but to the exclusion of the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant and undertakings of or occupied or used by the Debtor and may use all or any of the tools, machinery, equipment and intangibles of the Debtor for such time as the Agent sees fit, free of charge, to carry on the business of the Debtor and, if applicable, to manufacture or complete the manufacture of any Inventory and to pack and ship the finished product.

8.6 Dealing with Collateral

The Agent may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions and at such time or times as may seem to it advisable, all without notice to the Debtor except as otherwise required by any applicable law. The Agent may demand, sue for and receive any Accounts with or without notice to the Debtor, give such receipts, discharges and extensions of time and make such compromises in respect of any Accounts which may, in the Agent's absolute discretion, seem bad or doubtful. The Agent may charge on its own behalf and pay to others, sums for costs and expenses incurred including, without limitation, legal fees and expenses on a solicitor and his own client scale and Receivers' and accounting fees, in or in connection with seizing,

collecting, realizing, disposing, enforcing or otherwise dealing with the Collateral and in connection with the protection and enforcement of the rights of the Agent hereunder including, without limitation, in connection with advice with respect to any of the foregoing. The amount of such sums shall be deemed advanced to the Debtor by the Agent, shall become part of the Secured Obligations, shall bear interest at the highest rate per annum charged by the Agent on the Secured Obligations or any part thereof and shall be secured by this Agreement.

8.7 Right to Use

The Debtor hereby grants to the Agent a license or other right to use, without charge, all of the Debtor's present and future property, whether real or personal, including, without limitation, labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trade-marks, services marks, and advertising matter, or any other property of any nature or of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling of any Collateral and the Debtor's rights under all licenses and all franchise agreements shall inure to the Agent.

8.8 Retention of Collateral

Upon notice to the Debtor and subject to any obligation to dispose of any of the Collateral, as provided in the PPSA, the Agent may elect to retain all or any part of the Collateral in satisfaction of the Secured Obligations or any of them.

8.9 Pay Liens

The Agent may pay any Liens that may exist or be threatened against the Collateral. In addition, the Agent may borrow money required for the maintenance, preservation or protection of the Collateral or for the carrying on of the business or undertaking of the Debtor and may grant further security interests in the Collateral in priority to the security interest created hereby as security for the money so borrowed. In every such case the amounts so paid or borrowed together with costs, charges and expenses incurred in connection therewith shall be deemed to have been advanced to the Debtor by the Agent, shall become part of the Secured Obligations, shall bear interest at the highest rate per annum charged by the Agent on the Secured Obligations or any part thereof and shall be secured by this Agreement.

8.10 Application of Payments

Any and all payments made in respect of the Secured Obligations from time to time and moneys realized on the Collateral may be applied to such part or parts of the Secured Obligations as the Agent may see fit. The Agent shall, at all times and from time to time, have the right to change any appropriation as it may see fit. Any insurance moneys received by the Agent pursuant to this Agreement may, at the option of the Agent, be applied against the Secured Obligations as the Agent thinks fit.

8.11 Set-off

The Secured Obligations will be paid by the Debtor without regard to any equities between the Debtor and the Agent or any right of set-off or cross-claim. If an Event of Default exists, any indebtedness owing by the Agent to the Debtor may be set-off and applied by the Agent against the Secured Obligations either before or after maturity, without demand upon or notice to anyone and regardless of the currency in which the indebtedness is denominated.

8.12 Deficiency

If the proceeds of the realization of the Collateral are insufficient to repay to the Agent all amounts owing to it, the Debtor shall forthwith pay such deficiency or cause such deficiency to be paid to the Agent.

8.13 Agent Not Liable

The Agent shall not be liable or accountable for any failure to seize, collect, realize, dispose of, enforce or otherwise deal with the Collateral, shall not be bound to institute proceedings for any such purposes or for the purpose of preserving any rights of the Agent, the Debtor or any other person, firm or corporation in respect of the Collateral and shall not be liable or responsible for any loss, cost or damage whatsoever which may arise in respect of any such failure including, without limitation, resulting from the negligence of the Agent or any of its officers, servants, agents, solicitors, attorneys, Receivers or otherwise unless arising from gross negligence or wilful misconduct. Neither the Agent nor its officers, servants, agents, or Receivers shall be liable by reason of any entry into possession of the Collateral or any part thereof, to account as a mortgagee in possession, for anything except actual receipts, for any loss on realization, for any act or omission for which a mortgagee in possession might be liable, for any negligence in the carrying on or occupation of the business or undertaking of the Debtor or for any loss, cost, damage or expense whatsoever which may arise in respect of any such actions, omissions or negligence unless arising from gross negligence or wilful misconduct.

8.14 Extensions of Time

The Agent may grant renewals, extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, perfect or fail to perfect any securities, release any part of the Collateral to third parties and otherwise deal or fail to deal with the Debtor, subsidiaries of the Debtor, guarantors, sureties and others and with the Collateral and other securities as the Agent may see fit, all without prejudice to the liability of the Debtor to the Agent or the Agent's rights and powers under this Security Agreement.

8.15 Rights in Addition

The rights and powers conferred by this Section are in supplement of and in addition to and not in substitution for any other rights or powers the Agent may have from time to

time under this Agreement or under applicable law. The Agent may proceed by way of any action, suit, remedy or other proceeding at law or in equity and no such remedy for the enforcement of the rights of the Agent shall be exclusive of or dependent on any other such remedy. Any one or more of such remedies may from time to time be exercised separately or in combination.

ARTICLE 9 - PERFECTION AND PRIORITY

9.1 Financing Statements, Etc.

The Debtor hereby authorizes the Agent to file at any time and from time to time any financing statements describing the Collateral, and the Debtor shall execute and deliver to the Agent, and the Debtor hereby authorizes the Agent to file (with or without the Debtor's signature), at any time and from time to time, all amendments to financing statements, continuation financing statements, termination statements, security agreements relating to the Intellectual Property Collateral, assignments, fixture filings, affidavits, reports, notices and all other documents and instruments, in form satisfactory to the Agent, as the Agent may request, to perfect and continue perfected, maintain the priority of or provide notice of the Agent's security interest in the Collateral and to accomplish the purposes of this Agreement. Without limiting the generality of the foregoing, the Debtor ratifies and authorizes the filing by the Agent of any financing statements filed prior to the date hereof.

9.2 Bailees

Any Person (other than the Agent) at any time and from time to time holding all or any portion of the Collateral shall be deemed to, and shall, hold the Collateral as the agent of, and as pledge holder for, the Agent. At any time and from time to time, the Agent may give notice to any such Person holding all or any portion of the Collateral that such Person is holding the Collateral as the agent and bailee of, and as pledge holder for, the Agent, and obtain such Person's written acknowledgment thereof. Without limiting the generality of the foregoing, the Debtor will join with the Agent in notifying any Person who has possession of any Collateral of the Agent's security interest therein and obtaining an acknowledgment from such Person that it is holding the Collateral for the benefit of the Agent.

9.3 Control

If any of the Collateral consists of Investment Property, (a) the Debtor authorizes the Agent to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Agent or its nominee may appear of record as the sole owner thereof; provided, that until the security hereby constituted becomes enforceable, the Agent shall deliver promptly to the Debtor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Debtor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the security hereby constituted becomes enforceable, the Debtor waives all rights to be

advised of or to receive any notices, statements or communications received by the Agent or its nominee as such record owner, and agrees that no proxy or proxies given by the Agent to the Debtor or its designee as aforesaid shall thereafter be effective; and (b) the Debtor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Agent "control" of such Investment Property, as defined in any applicable statute similar in application to the *Securities Transfer Act* (Ontario), which "control" shall be in such manner as the Agent shall designate in its sole judgement and discretion, including, without limitation, an agreement by an issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by the Agent, whether before or after security hereby constituted becomes enforceable, without further consent by the Debtor.

ARTICLE 10 - MISCELLANEOUS

10.1 Amendments and Waivers

Except to the extent otherwise provided herein or in any other Credit Document, (a) no amendment to any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed by the Debtor and the Agent and (b) no waiver of any provision of this Agreement, or consent to any departure by the Debtor or other party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent. Any such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

10.2 Notices

All notices required or permitted under this Agreement shall be given in the manner and to the addresses specified in the Loan Agreement.

10.3 No Waiver; Cumulative Remedies

No failure on the part of the Agent to exercise, and no delay in exercising, any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to the Agent.

10.4 Binding Effect

This Agreement shall be binding upon the Debtor and its successors and assigns, including any successor by reason of amalgamation, and inure to the benefit of and be enforceable by the Agent and its successors, endorsees, transferees, participants and assigns.

10.5 Assignment

The Debtor may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent, and any attempted assignment in violation of this provision shall be null and void. The Agent may assign this Agreement in whole or in part to any Person acquiring an interest in the Secured Obligations in accordance with the provisions of the Loan Agreement.

10.6 Costs and Expenses

The Debtor agrees to pay on demand all reasonable costs and expenses of the Agent, any Receiver, or the agents of the Agent or any Receiver, and reasonable legal fees and disbursements in connection with the perfection, enforcement, or preservation of any rights under, this Agreement and the other Credit Documents.

10.7 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Agreement shall be prohibited by or invalid under any such law or regulation, it shall be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Agreement.

10.8 Governing Law

This Agreement is to be exclusively construed in accordance with and governed by the internal laws of the Province of Ontario and the federal laws of Canada applicable therein without giving effect to any choice of law rule or principle that would cause the application of the laws of any jurisdiction other than the internal laws of the Province of Ontario and the federal laws of Canada applicable therein to the rights and duties of the Debtor and the Agent.

10.9 Submission to Jurisdiction

The Debtor hereby (a) submits to the non-exclusive jurisdiction of the courts of the Province of Ontario sitting in Toronto for the purpose of any action or proceeding arising out of or relating to this Agreement and the other Credit Documents, (b) agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts, (c) irrevocably waives (to the extent permitted by applicable law) any objection which it now or hereafter may have to the laying of venue of any such action or proceeding brought in any of the foregoing courts, and any objection on the ground that any such action or proceeding in any such court has been brought in an inconvenient forum and (d) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner permitted by law.

10.10 Judgment Currency

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with practices of the Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Debtor in respect of any such sum due from it to the Agent hereunder or under the other Credit Documents shall, notwithstanding any judgment in a currency (the "**Judgment Currency**") other than that in which such sum is denominated in accordance with the applicable provisions of the Credit Documents or other relevant document (the "**Agreement Currency**"), be discharged only to the extent that on the Business Day following receipt by the Agent of any sum adjudged to be so due in the Judgment Currency, the Agent may in accordance with normal practices purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Agent from the Debtor in the Agreement Currency, the Debtor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Agent against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Agent in such currency, the Agent agrees to return the amount of any excess to the Debtor (or to any other Person who may be entitled thereto under applicable law). The agreements in this Section 10.10 shall survive the repayment of all Secured Obligations.

10.11 Entire Agreement

This Agreement and the other Credit Documents constitutes the entire agreement of the parties hereto with respect to the matters set forth herein and supersede any prior agreements, commitments, drafts, communications, discussions and understandings, oral or written, with respect thereto.

10.12 Counterparts

This Agreement may be executed in several counterparts and delivered by facsimile or other electronic transmission, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement.

10.13 Termination

Upon indefeasible payment and performance in full of all Secured Obligations, the security interests created by this Agreement shall terminate and the Agent shall execute and deliver to the Debtor, at the Debtor's sole cost and expense, such documents and instruments reasonably requested by the Debtor as shall be necessary to evidence termination of all security interests given by the Debtor to the Agent hereunder.

10.14 Indemnity

The Debtor hereby agrees to indemnify the Agent, and its successors, assigns, agents and employees, from and against any and all liabilities, damages, penalties, suits, costs, and

expenses of any kind and nature (including, without limitation, all reasonable expenses of litigation or preparation therefor whether or not the Agent is a party thereto) imposed on, incurred by or asserted against the Agent, or its successors, assigns, agents and employees, in any way relating to or arising out of this Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Agent or the Debtor, and any claim for patent, trade-mark or copyright infringement), except for the gross negligence or wilful misconduct of the Agent.

10.15 Acknowledgement of Receipt

The Debtor acknowledges receipt of a copy of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF the undersigned has executed and delivered this Agreement under seal with effect as of the date first written above.

SKYMARK FINANCE CORPORATION

By: _____

Name: MICHAEL SLATTERY
Authorized Signing Officer

Signature page to General Security Agreement

SCHEDULE "A"
TRADE NAMES, AMALGAMATIONS AND PRIOR NAMES

Trade Names or Styles

1. Nil.

Amalgamations

2. Nil.

Other Prior Names

3. Nil.

This is Exhibit "J" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30^j day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

ADAM DRIEDGER

GUARANTEE AGREEMENT

This Agreement is made the ____ day of July, 2015

Between:

MERK INVESTMENTS LTD.

(the "**Guarantor**")

- and -

SPROTT BRIDGING INCOME FUND LP

(the "**Lender**").

Whereas:

- (a) pursuant to a loan agreement dated April 28, 2015 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto, collectively the "**Loan Agreement**") between the Lender and **SKYMARK FINANCE CORPORATION** (the "**Borrower**"), the Lender has agreed to make available to the Borrower the credit facilities, as more particularly set out in the Loan Agreement;
- (b) as a condition to continuing to make available the credit facilities under the Loan Agreement, the Guarantor is required to execute and deliver this Agreement to the Lender; and
- (c) capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

Now therefore for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Guarantor agrees with the Lender as follows:

1. Guarantee. The Guarantor hereby unconditionally guarantees to the Lender and its successors and assigns, forthwith upon demand, prompt and complete payment and performance of all indebtedness, liabilities and obligations of the Borrower to the Lender arising in connection with or pursuant to the Loan Agreement, present or future, direct or indirect, absolute or contingent, joint, several or joint and several, at any time owing or remaining unpaid by the Borrower to the Lender in any currency, including all principal, interest, commissions, fees (including receiver's fees and expenses), legal costs (on a solicitor and its own client basis) and

other costs, charges and expenses, and the payment of all costs and expenses incurred by the Lender in enforcing any rights under this Agreement (collectively, the "**Obligations**"). For greater certainty and without limiting the generality of the foregoing, the Obligations shall include all principal, interest and fees due by the Borrower to the Lender, all obligations of the Borrower under any agreement made between the Borrower and the Lender, and any liability of the Borrower arising under guarantees provided by the Borrower to the Lender in connection with the obligations of other parties.

2. Limitation of Liability; Interest. The liability of the Guarantor under this Agreement is limited to One Million Dollars (\$1,000,000) plus interest on all amounts due under this Agreement from the date the Lender demands payment thereof at the Prime Rate (as defined in the Loan Agreement), plus all expenses described in Section 20 of this Agreement.

3. Continuing Guarantee. The guarantee contained herein shall be a continuing guarantee and shall secure the Obligations and any ultimate balance thereof, notwithstanding that the Borrower may from time to time satisfy the Obligations in whole or in part and thereafter incur further Obligations. This Agreement shall continue in full force and effect regardless of whether any guarantor (if more than one) or any other party responsible for the payment of the Obligations or any portion thereof shall cease to be so liable for any reason whatsoever, including without limitation by reason of prescription, operation of law or release by the Lender.

4. Termination of Liability for Future Obligations. The Guarantor may, by written notice sent to the Lender as provided herein, terminate the liability of the Guarantor in respect of any Obligations incurred by the Borrower to the Lender after the date (the "**Termination Date**") which is 90 days following the date the Lender is deemed to have received such notice; provided that the liability of the Guarantor under this Agreement shall continue in full force and effect with respect to all Obligations incurred by the Borrower on or before the Termination Date, together with interest thereon and the Lender's expenses of enforcing payment of such Obligations. For greater certainty, the Guarantor shall continue to be responsible for any contingent obligations of the Borrower to the Lender in existence on the Termination Date, even though such contingent obligations may mature and be payable by the Borrower after the Termination Date, and even though the ultimate liability of the Borrower in respect of such contingent obligations may exceed the Borrower's contingent liability thereunder on the Termination Date.

5. Borrower's Status and Authority. All monies, advances, renewals or credits in fact borrowed or obtained from the Lender by the Borrower or by persons purporting to act on behalf of the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of status or power, incapacity or disability of the Borrower or its directors, officers, employees or agents, or that the Borrower may not be a legal entity or that such borrowing or obtaining of monies, advances, renewals or credits or the execution and delivery of any agreement or document by or on behalf of the Borrower is in excess of the powers of the Borrower or any of its directors, officers, employees or agents or is in any way irregular, defective, fraudulent or informal. The Lender has no obligation to enquire into the powers of the Borrower or any of its directors, officers, employees or agents acting or purporting to act on its

behalf, and shall be entitled to rely on this provision notwithstanding any actual or imputed knowledge regarding any of the foregoing matters.

6. Guarantee Absolute. The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by the Lender in connection with the Borrower, the Obligations or any security held by or granted to the Lender to secure payment or performance of the Obligations. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

- (a) any lack of validity or enforceability of any agreement between the Lender and the Borrower relating to the advance of monies or granting of credit to the Borrower or any other agreement or instrument relating thereto;
- (b) any change in the name, objects, capital stock, constating documents or by-laws, ownership or control of the Borrower;
- (c) any amalgamation, merger, consolidation or other reorganization of the Borrower or of its business or affairs;
- (d) the dissolution, winding-up, liquidation or other distribution of the assets of the Borrower, whether voluntary or otherwise;
- (e) the Borrower becoming insolvent or bankrupt or subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the arrangement provisions of applicable corporate legislation, or any similar or successor legislation, or the Lender voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;
- (f) the loss of or failure to obtain, register, perfect or maintain any security held by the Lender, whether occasioned through the Lender's failure or neglect or otherwise;
- (g) the valuation by the Lender of any of its security, which shall not be considered as a purchase of such security, or as payment on account of the Obligations;
- (h) the failure or neglect of the Lender to demand payment of the Obligations from the Borrower, any guarantor of the Borrower or any other party, or the failure or neglect of the Lender to enforce all or any of the Lender's security;
- (i) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that the Borrower or the Guarantor may have or may allege to have against the Lender or any other person, which rights are hereby waived by the Guarantor;

- (j) any dealings described in Section 7 hereof; or
- (k) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Borrower in respect of the Obligations or of the Guarantor in respect of this Agreement.

7. Dealings with the Borrower and Others. Without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations of the Guarantor under this Agreement, and without notice to or the consent of the Guarantor, the Lender may from time to time:

- (a) amend the terms and conditions applicable to the Obligations, waive compliance with any such terms or conditions in whole or in part, or amend or terminate any agreement applicable to the Obligations;
- (b) make advances to the Borrower and receive repayments in respect of the Obligations, and increase or decrease the amount of credit available to the Borrower;
- (c) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;
- (d) take or refrain from taking guarantees from other parties or security from the Borrower, any guarantor of the Borrower or any other party, or from registering or perfecting any security;
- (e) release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of any and all security given by the Borrower, any guarantor of the Borrower or any other party, with or without consideration;
- (f) accept compromises or arrangements from the Borrower, any guarantor of the Borrower or any other party;
- (g) exercise any right or remedy which it may have against the Borrower, any guarantor of the Borrower or any other party or with respect to any security;
- (h) apply all monies at any time received from the Borrower, any guarantor of the Borrower or other party or from the proceeds of any security upon such part of the Obligations as the Lender may see fit, or change any such application in whole or in part from time to time as the Lender may see fit, notwithstanding any direction which may be given to the Lender regarding application of such monies by the Borrower, any guarantor of the Borrower or any other party; and
- (i) otherwise deal with, or waive or modify its right to deal with, the Borrower, any guarantor of the Borrower or any other party and all security held by the Lender, as the Lender may see fit in its absolute discretion.

Any amount which is not recoverable hereunder from the Guarantor as guarantor shall be recoverable from the Guarantor as principal debtor. Accordingly, the Guarantor shall not be discharged nor shall the liability of the Guarantor be affected by any act, thing, omission or means whatsoever which would have resulted in the discharge or release of the liability of the Guarantor under this Agreement if the Guarantor had not been liable as principal debtor.

8. No Obligation to Exercise Other Remedies. The Lender shall not be obliged to demand payment from or exhaust its recourse against the Borrower, guarantors of the Borrower or other parties or enforce any security held in respect of the Obligations or take any other action or legal proceeding before being entitled to payment from the Guarantor under this Agreement. The Guarantor hereby waives all benefits of discussion and division.

9. Enforcement. The Lender shall be entitled to make demand on the Guarantor upon the occurrence a default hereunder or an Event of Default (as defined in the Loan Agreement) or if the Borrower fails to pay or perform any of the Obligations when due.

10. Accounts Settled. Any account stated by the Lender to be due to it from the Borrower shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error.

11. Waiver. The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

12. Foreign Currency Obligations. To the extent permitted by applicable law, an obligation of the Guarantor in respect of any of the Obligations shall, notwithstanding any payment in any other currency (the "**Other Currency**") (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the currency in which it is due (the "**Agreed Currency**") that the Lender may, in accordance with normal banking procedures, purchase with the sum paid in the Other Currency (after any premium and costs of exchange) on the Business Day immediately after the day on which the Lender receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, the Guarantor shall pay all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of the Guarantor not discharged by that payment shall, to the extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided in this Section, continue in full force and effect. When used in this Agreement, "**Business Day**" shall mean a day other than a Saturday, Sunday or any statutory holiday in the Province of Ontario.

13. Representations and Warranties. The Guarantor represents and warrants to the Lender as follows, and acknowledges that the Lender is relying upon the said representations and warranties as a basis for extending credit to the Borrower:

- (a) The Guarantor is duly incorporated, existing and in good standing under the laws of its jurisdiction of incorporation; it has full corporate power, authority and capacity to enter into and perform its obligations hereunder; all necessary action has been taken to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder; there are no provisions in any unanimous shareholder agreement which restrict or limit its powers to enter into and perform its obligations under this Agreement; and neither the execution and delivery of this Agreement, nor compliance with the terms, provisions and conditions hereof will conflict with, result in a breach of, or constitute a default under its charter documents or by-laws.
- (b) Neither the execution and delivery to the Lender of this Agreement, nor compliance with the terms, provisions and conditions of this Agreement will conflict with, result in a breach of, or constitute a default under any agreement or instrument to which the Guarantor is a party or by which the property and assets or the Guarantor may be bound or affected, and does not require the consent or approval of any other party.

14. Disclosure. The Guarantor waives any duty on the part of the Lender to disclose to the Guarantor any facts relating to the Borrower or other guarantors of the Obligations which the Lender may now or hereafter know, regardless of whether the Lender has reason to believe any such facts materially increase the risk beyond that which the Guarantor intends to assume, it being understood and agreed that the Guarantor is fully responsible for being and keeping fully informed.

15. Taxes, etc. All payments made by any Guarantor under this Agreement to the Lender shall be made free and clear of, and without deduction for or on account of, any present or future taxes, levies, assessments, deductions, withholdings or other governmental charges of any nature whatsoever now or hereafter imposed by any official body in any jurisdiction ("**Taxes**"). If any Taxes are required to be withheld or deducted from any amounts payable by the Guarantor to the Lender hereunder, the Guarantor shall:

- (a) within the time period for payment permitted by applicable law pay to the appropriate governmental body the full amount of such Taxes and any additional taxes, levies, assessments, deductions, withholdings or other governmental charges in respect of the payment required under Section 13(b) hereof and make such reports and filings in connection therewith in the manner required by applicable law; and
- (b) pay to the Lender an additional amount which (after deduction of all Taxes incurred by reason of the payment or receipt of such additional amount) will be sufficient to yield to the Lender the full amount which would have been received by it had no deduction or withholding been made.

Upon the request of the Lender, the Guarantor shall furnish to the Lender the original or a certified copy of a receipt for (or other satisfactory evidence as to) the payment of each of the Taxes (if any) payable in respect of such payment.

16. Assignment. The Lender may from time to time upon notice to, but without the consent of the Guarantor, assign or transfer this Agreement and the Obligations or any portion thereof or interest therein to any other party (the "**Assignee**"). The Assignee shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Lender. The Guarantor shall not be entitled to assign or transfer this Agreement or any of the Guarantor's rights, duties or obligations hereunder without the prior written consent of the Lender.

17. Revival of Indebtedness and Liability. If at any time all or any part of any payment previously applied by the Lender to any portion of the Obligations is rescinded or returned by the Lender for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, arising from or in connection with the insolvency, bankruptcy or reorganization of the Borrower or the Guarantor, or any allegation that the Lender received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned such portion of the Obligations shall be deemed to have continued in existence notwithstanding such application by the Lender, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such portion of the Obligations as though such payment to the Lender had not been made.

18. Assignment and Postponement of Amounts Due to the Guarantor. Payment of all present and future debts and liabilities of the Borrower to the Guarantor or (if more than one) any of them (the "**Postponed Indebtedness**") is hereby postponed to payment of the Obligations. For greater certainty, the Guarantor shall not receive any payments of principal, interest or any other amounts in respect of the Postponed Indebtedness until the Obligations have been paid and satisfied in full. If any portion of the Postponed Indebtedness is paid in contravention of this Agreement, it shall be held by the Guarantor in trust for the Lender and shall be immediately paid to the Lender. If the Guarantor now or in the future holds any security for the Postponed Indebtedness (the "**Postponed Security**"), the security interests, charges and encumbrances constituted thereby shall be postponed to all present and future security held by the Lender in respect of the Obligations, notwithstanding the order of execution, delivery, registration or perfection of the security interests held by the Lender and the Guarantor, respectively, the order of advancement of funds, the order of crystallization of security, or any other matter which may affect the relative priorities of such security interests. The Guarantor may not initiate or take any action to enforce the Postponed Security without the prior written consent of the Lender. As security for the obligations of the Guarantor to the Lender under this Agreement, the Guarantor assigns to the Lender the Postponed Indebtedness and the Postponed Security.

19. Subrogation. The Guarantor shall have no right to be subrogated to the Lender unless: (i) the Guarantor shall have paid to the Lender an amount equal to the Obligations together with all interest, expenses and other amounts due hereunder; (ii) any other party regarded by the Lender as having a potential right of subrogation shall have waived such right and consented to the assignment of the Obligations and any security held by the Lender to the Guarantor; (iii) the

Lender shall have received from the Borrower a release of all claims and demands which the Borrower may have against the Lender, including any obligation of the Lender to grant additional credit to the Borrower; and (iv) the Guarantor shall have executed and delivered to the Lender a release of any claims which the Guarantor may have against the Lender in respect of the Obligations or this Agreement, together with an acknowledgment that the Obligations and any security assigned by the Lender to the Guarantor shall be assigned on an "as is, where is" basis and without recourse to the Lender. All documents listed above shall be in form and substance satisfactory to the Lender.

20. Expenses. The Guarantor shall pay forthwith upon demand to the Lender all expenses, including the reasonable fees, disbursements and other charges of its counsel (on a solicitor and his own client basis), experts or agents which the Lender may incur in connection with (i) the negotiation and preparation of this Agreement, (ii) the administration of this Agreement, (iii) the custody or preservation of, or the sale of, collection from or other realization upon any of the collateral securing the Obligations, (iv) the exercise, enforcement or protection of any of the rights of the Lender hereunder, or (v) the failure of the Guarantor to perform or observe any of the provisions hereof.

21. Additional and Separate Security. This Agreement and the Security Interest are in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the Borrower, the Obligations or the collateral securing the Obligations and any other present and future rights or remedies which the Lender might have in respect thereof, including guarantees provided by other parties. Notwithstanding anything to the contrary contained herein and for greater certainty, the obligations of the Guarantor pursuant to this Agreement are in addition to, and do not replace, the obligations of the Guarantor pursuant to that certain limited recourse guarantee and securities pledge agreement of even date herewith granted by the Guarantor to and in favour of the Lender in connection with the Loan Agreement

22. Set-Off. Upon this Agreement becoming enforceable, the Lender may from time to time set off the obligations of the Guarantor to the Lender under this Agreement against any and all deposits at any time held by the Lender for the account of the Guarantor and any other indebtedness at any time owing by the Lender to the Guarantor, whether or not the Lender shall have made any demand hereunder and whether or not any of such obligations may be unliquidated, contingent or unmatured.

23. Entire Agreement. This Agreement constitutes the entire agreement between the Guarantor and the Lender relating to the subject matter hereof, and supersedes all prior agreements, representations, warranties, understandings, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

24. Governing Law and Attornment. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Guarantor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario in connection with this Agreement.

25. Notice. Any demand, notice, direction or other communication to be made or given hereunder (in each case, "**Communication**") shall be in writing and shall be made or given by personal delivery, by courier, by facsimile transmission, email or sent by registered mail, charges prepaid, addressed to the respective parties as follows:

- (i) if to the Guarantor:

c/o 46 Village Centre Place, 3rd Floor
Mississauga, ON L4Z 1V9

Email: MSlattery@skylarkmortgages.ca

- (ii) if to the Lender:

Sprott Bridging Income Fund LP
77 King Street West, Suite 2925
Toronto, ON M5K 1K7

Email: GMarr@bridgingfinance.ca
Attention: Graham Marr

or to such other address or facsimile number as any party may from time to time designate in accordance with this Section. Any Communication made by personal delivery or by courier shall be conclusively deemed to have been given and received on the day of actual delivery thereof or if such day is not a Business Day, on the first Business Day thereafter. Any Communication made or given by facsimile or email on a Business Day before 4:00 p.m. (local time of the recipient) shall be conclusively deemed to have been given and received on such Business Day and otherwise shall be conclusively deemed to have been given and received on the first Business Day following the transmittal thereof. Any Communication that is mailed shall be conclusively deemed to have been given and received on the fifth Business Day following the date of mailing but if, at the time of mailing or within five Business Days thereafter, there is or occurs a labour dispute or other event that might reasonably be expected to disrupt delivery of documents by mail, any Communication shall be delivered or transmitted by any other means provided for in this Section.

26. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by applicable law. Each provision of this Agreement is declared to be separate, severable and distinct.

27. Joint and Several. If this Agreement has been executed by more than one guarantor, their obligations hereunder shall be joint and several, and all references to the "**Guarantor**" herein shall refer to all such guarantors, as the context requires.

28. Number, Gender and Persons. Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

29. Amalgamation of Guarantor. The Guarantor acknowledges and agrees that in the event that it amalgamates with any other persons (which it is prohibited from doing without the prior written consent of the Lender) then all references herein to "Guarantor" shall extend to, include and bind the amalgamated corporation.

30. Counterparts and Execution by Facsimile. This Agreement may be executed in any number of separate counterparts (including by facsimile or other electronic means) and all such signed counterparts will together constitute one and the same agreement. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other parties by facsimile, .pdf attached to an e-mail or other means of recorded electronic transmission and such transmission with an acknowledgement of receipt shall constitute delivery of an executed copy of this Agreement to the receiving party.

31. Time. Time shall be of the essence of this Agreement.

32. Further Assurances. The Guarantor shall forthwith, at its own expense and from time to time, do or file, or cause to be done or filed, all such things and shall execute and deliver all such documents, agreements, opinions, certificates and instruments reasonably requested by the Lender or its counsel as may be necessary or desirable to complete the transactions contemplated by this Agreement and carry out its provisions and intention.

33. Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Guarantor and its legal representatives, heirs, executors, administrators, successors and permitted assigns.

34. Copy of Agreement. The Guarantor acknowledges receipt of an executed copy of this Agreement.

35. Conflicts. In the event that any provisions of this Agreement contradict and are otherwise incapable of being construed in conjunction with the provisions of the Loan Agreement, the provisions of the Loan Agreement shall take precedence over those contained in this Agreement.

[Remainder of page intentionally blank; signature page follows]

This Agreement has been executed by the Guarantor as of the date first stated above.

MERK INVESTMENTS LTD.

By: 

Name: Michael Slatery
Title: President

By: _____

Name:
Title:

I/We have authority to bind the corporation.

GENERAL SECURITY AGREEMENT

This Agreement is made the ____ day of July, 2015

Between:

MERK INVESTMENTS LTD.

(the "**Grantor**")

- and -

SPROTT BRIDGING INCOME FUND LP

(the "**Lender**").

Whereas:

- (a) pursuant to a loan agreement dated April 28, 2015 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto, collectively the "**Loan Agreement**") between the Lender and **SKYMARK FINANCE CORPORATION** (the "**Borrower**"), the Lender has agreed to make available to the Borrower the credit facilities, as more particularly set out in the Loan Agreement;
- (b) as a condition to continuing to make available the credit facilities under the Loan Agreement, the Grantor has entered into a guarantee agreement (the "**Guarantee**") of even date herewith to and in favour of the Lender;
- (c) in order to secure the obligations of the Grantor to the Lender under the Guarantee, the Grantor is required to execute and deliver this Agreement to the Lender; and
- (d) capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

Now therefore for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Grantor agrees with the Lender, as follows:

1. Obligations Secured. The Security Interest (as hereinafter defined) is granted to the Lender by the Grantor as continuing security for the payment of all present and future

indebtedness and liabilities of the Grantor to the Lender, including interest thereon, and for the prompt and complete performance of all other present and future obligations of the Grantor to the Lender, whether direct or indirect, contingent or absolute, including under the Guarantee and/or this Agreement (collectively, the "**Obligations**").

2. Creation of Security Interest. As general and continuing security for the payment and performance when due of all the Obligations, the Grantor hereby mortgages, pledges, hypothecates, transfers, assigns and charges to the Lender, and hereby grants to the Lender a security interest in (such mortgages, pledges, hypothecations, transfers, assignments, charges and security interests are referred to collectively as the "**Security Interest**") all present and after-acquired undertaking and property of the Grantor of any nature whatsoever (such undertaking and property are referred to collectively as the "**Collateral**") including, without limitation, the following:

- (a) **Equipment** - all present and future equipment of the Grantor, including all machinery, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto ("**Equipment**");
- (b) **Inventory** - all present and future inventory of the Grantor, including all raw materials, materials used or consumed in the business of the Grantor, work-in-progress, finished goods, goods used for packing, materials used in the business of the Grantor not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service ("**Inventory**");
- (c) **Accounts** - all present and future debts, demands and amounts due or accruing due to the Grantor whether or not earned by performance, including without limitation its book debts, accounts receivable, and claims under policies of insurance, and all contracts, security interests and other rights and benefits in respect thereof ("**Accounts**");
- (d) **Intangibles** - all present and future intangible personal property of the Grantor, including all contract rights, goodwill, patents, trade marks, copyrights and other intellectual property, and all other choses in action of the Grantor of every kind, whether due at the present time or hereafter to become due or owing;
- (e) **Documents of Title** - all present and future documents of title of the Grantor, whether negotiable or otherwise, including all warehouse receipts and bills of lading;
- (f) **Chattel Paper** - all present and future agreements made between the Grantor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods ("**Chattel Paper**");

- (g) ***Instruments*** - all present and future bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)), and all other writings that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment ("**Instruments**");
- (h) ***Investment Property*** – all present and future investment property, including, but not limited to, shares, stock, warrants, bonds, debentures, debenture stock and other securities (whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts ("**Investment Property**");
- (i) ***Money*** - all present and future money of the Grantor, whether authorized or adopted by the Parliament of Canada as part of its currency or any foreign government as part of its currency ("**Money**");
- (j) ***Securities*** - all present and future securities held by the Grantor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Grantor in property or in an enterprise or which constitute evidence of an obligation of the issuer, and including an uncertificated security within the meaning of Part VI (Investment Securities) of the *Business Corporations Act* (Ontario) and all substitutions therefor and dividends and income derived therefrom;
- (k) ***Documents*** - all books, accounts, invoices, letters, papers, documents and other records in any form or medium evidencing or relating to collateral subject to the Security Interest;
- (m) ***Proceeds*** - all personal property in any form derived directly or indirectly from any dealing with collateral subject to the Security Interest or the proceeds therefrom, including insurance proceeds and any other payment representing indemnity or compensation for loss of or damage thereto or the proceeds therefrom ("**Proceeds**").

Without limiting the generality of the description of Collateral as set out in this Section 2, and for greater certainty, the Collateral shall include all present and future real and personal property of the Grantor located on or about or in transit to or from the address of the Grantor set out on this Agreement and the location(s) set out in Schedule "A" attached hereto.

3. Attachment, Perfection Possession and Control.

- (a) The Grantor acknowledges that (i) value has been given, (ii) it has rights in the Collateral or the power to transfer rights in the Collateral to the Lender (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of

attachment of the Security Interest, and (iv) it has received a copy of this Agreement.

- (b) The Grantor shall promptly inform the Lender in writing of the acquisition by the Grantor of any personal property which is not adequately described in this Agreement, and the Grantor shall execute and deliver, from time to time, at its own expense, amendments to this Agreement and its schedules or additional security agreements or schedules as may be required by the Lender in order to preserve, protect and perfect its Security Interest in such personal property.
- (c) If the Grantor acquires Collateral consisting of Chattel Paper, Instruments or negotiable Documents of Title (collectively, “**Negotiable Collateral**”), the Grantor shall, immediately upon receipt thereof, deliver to the Lender the Negotiable Collateral and shall, at the request of the Lender (i) endorse the same for transfer in blank or as the Lender may direct, (ii) cause any transfer to be registered wherever, in the opinion of the Lender, such registration may be required or advisable, and (iii) deliver to the Lender any and all consents or other documents which may be necessary or desirable to transfer the Negotiable Collateral.
- (d) If the Grantor has or hereafter acquires Collateral consisting of certificated securities it shall immediately deliver to the Lender any and all certificates representing such Collateral (the “**Pledged Certificated Securities**”) and other materials (including effective endorsements) as may be required from time to time in the opinion of the Lender, to provide the Lender with control over all Pledged Certificated Securities in the manner provided under Section 23 of the *Securities Transfer Act* (Ontario) (“**STA**”), and at the request of the Lender, will cause all Pledged Certificated Securities to be registered in the name of the Lender or as it may direct.
- (e) If the Grantor has or hereafter acquires Collateral consisting of uncertificated securities it shall deliver to the Lender any and all such documents, agreements and other materials as may be required from time to time in the opinion of the Lender, to provide the Lender with control over all such Collateral in the manner provided under Section 24 of the STA.
- (f) If the Grantor has or hereafter acquires Collateral consisting of security entitlements or creates Collateral consisting of one or more securities accounts it shall deliver to the Lender any and all such documents, agreements and other materials as may be required from time to time in the opinion of the Lender, to provide the Lender with control over all such Collateral in the manner provided under Section 25 and 26 of the STA and Section 1(2)(e) of the PPSA.
- (g) If the Grantor has or hereafter acquires Collateral consisting of an interest in a partnership or limited liability company, it shall take all steps necessary in the opinion of the Lender, to ensure that such property is and remains a security for the purposes of the STA.

- (h) The Grantor shall not cause or permit any person other than the Lender to have control (as defined in the STA) of any investment property constituting part of the Collateral, other than control in favour of a depositary bank or securities intermediary which has subordinated its lien to the lien of the Lender pursuant to documentation in form and substance satisfactory to the Lender.

4. **Special Provisions Relating to Pledged Investment Property**

- (a) Provided no Event of Default (as defined in the Loan Agreement) has occurred and is continuing, the Grantor has the right to exercise all voting, consensual and other powers of ownership pertaining to Collateral which is investment property (the “**Pledged Investment Property**”) for all purposes not inconsistent with the terms of this Agreement, the Loan Agreement or the other Credit Documents and the Grantor agrees that it will not vote the Pledged Investment Property in any manner that is inconsistent with such terms.
- (b) Provided no Event of Default has occurred and is continuing, the Grantor may receive and retain any dividends, distributions or proceeds on the Pledged Investment Property.
- (c) If an Event of Default has occurred and is continuing, whether or not the Lender exercises any right to declare any Obligations due and payable or seeks or pursues any other relief or remedy available to it under applicable law or under this Agreement or otherwise, all dividends and other distributions on the Pledged Investment Property shall be paid directly to the Lender and retained by it as part of the Collateral, and, if the Lender so requests in writing, the Grantor will execute and deliver to the Lender any instruments or other documents necessary or desirable to ensure that the Pledged Investment Property is paid directly to the Lender.

5. **Care and Custody of Collateral.**

- (a) The Lender has no obligation to keep Collateral in their possession identifiable.
- (b) The Lender shall exercise in the physical keeping of any Negotiable Collateral or securities, only the same degree of care as it would exercise in respect of its own such property kept at the same place.
- (c) The Lender may, after the Security Interest has become enforceable, (i) notify any person obligated on an Account, Chattel Paper or Instrument to make payments to the Lender whether or not the Grantor was previously making collections on such Accounts, Chattel Papery or Instruments, and (ii) assume control of any proceeds arising from the Collateral.

6. **Notification to Account Debtors.** The Lender may, after the Security Interest becomes enforceable, notify any person obligated to the Grantor in respect of an Account, Chattel Paper,

Investment Property or an Instrument to make payment to the Lender of all such present and future amounts due thereon.

7. Exception re Leasehold Interests and Contractual Rights. The last day of the term of any lease, sublease or agreement therefor is specifically excepted from the Security Interest, but the Grantor agrees to stand possessed of such last day in trust for any person acquiring such interest of the Grantor. To the extent that the creation of the Security Interest would constitute a breach or cause the acceleration of any agreement, right, licence or permit to which the Grantor is a party, the Security Interest shall not attach thereto, but the Grantor shall hold its interest therein in trust for the Lender, and the Security Interest shall attach to such agreement, right, license or permit forthwith upon obtaining the consent of the other party thereto.

8. Representations and Warranties. The Grantor hereby represents and warrants as follows to the Lender and acknowledges that the Lender is relying thereon:

- (a) the Grantor has the capacity and authority to incur the Obligations, create the Security Interest and generally perform its obligations under this Agreement;
- (b) the execution and delivery of this Agreement and the performance by the Grantor of its obligations hereunder have been duly authorized by all necessary proceedings;
- (c) except for the Security Interest, and except as disclosed by the Grantor in writing to the Lender, the Collateral is owned by the Grantor free from any mortgage, lien, charge, encumbrance, pledge, security interest or other claim whatsoever;
- (d) the chief executive office of the Grantor is located at the address of the Grantor set out in the Guarantee;
- (e) the Collateral is located at the places warranted herein and at no other place; and
- (f) the Collateral does not include any goods which are used or acquired by the Grantor primarily for personal, family or household purposes.

9. Covenants of Corporation. The Grantor covenants and agrees in favour of the Lender as follows:

- (a) to pay or satisfy the Obligations when due;
- (b) to keep the Collateral free and clear of all taxes, assessments, liens, mortgages, charges, claims, encumbrances and security interests whatsoever, except for the Security Interest and except as disclosed in writing by the Grantor to the Lender;
- (c) not to sell, exchange, transfer, assign, lease or otherwise dispose of or deal in any way with the Collateral or any interest therein, or enter into any agreement or undertaking to do so; except as may be permitted in this Agreement;

- (d) to keep the Collateral in good condition, and to keep the Collateral located at the places warranted herein;
- (e) to obtain from financially responsible insurance companies and maintain insurance in respect of such risks and in such amounts as the Lender may reasonably require from time to time, and the Grantor agrees to cause the interest of the Lender to be noted as its interest might appear on such policies of insurance (except public liability insurance), and to furnish the Lender with certificates of insurance and certified copies of such policies;
- (f) to promptly notify the Lender of any loss or damage to the Collateral, and of any change in any information provided in this Agreement;
- (g) to promptly pay all taxes, assessments, rates, levies, payroll deductions, vacation pay, workers' compensation assessments, and any other charges which could result in the creation of a statutory lien or deemed trust in respect of the Collateral;
- (h) to deliver to the Lender such information concerning the Collateral or the Grantor as the Lender may reasonably request from time to time, including aged lists of Inventory and Accounts and annual and monthly financial statements of the Grantor;
- (i) to allow the Lender to have access to all premises of the Grantor at which Collateral may be located and to inspect the Collateral and all records of the Grantor pertaining thereto from time to time; and
- (j) to do, make, execute and deliver such further and other assignments, transfers, deeds, agreements and other documents as may be required by the Lender to establish in favour of the Lender the Security Interest intended to be created hereby and to accomplish the intention of this Agreement.

10. Enforcement. The Security Interest shall become enforceable immediately upon the occurrence of a default hereunder or an Event of Default (as defined in the Loan Agreement), or if the Grantor fails to pay or perform any of the Obligations when due.

11. Remedies. In the event that the Security Interest becomes enforceable, the Lender shall have the following remedies in addition to any other remedies available at law or equity or contained in any other agreement between the Grantor and the Lender all of which remedies shall be independent and cumulative:

- (a) entry of any premises where Collateral may be located;
- (b) possession of Collateral by any method permitted by law;

- (c) the sale or lease of Collateral;
- (d) the collection of any rents, income and profits received in connection with the business of the Grantor or the Collateral;
- (e) the collection, realization, sale or other dealing with any Accounts;
- (f) the appointment by instrument in writing of a receiver or a receiver and manager (each of which is herein called a "**Receiver**") of the Collateral;
- (g) the exercise by the Lender of any of the powers set out in Section 12, without the appointment of a Receiver;
- (h) proceedings in any court of competent jurisdiction for the appointment of a receiver or a receiver and manager or for the sale of the Collateral; and
- (i) the filing of proofs of claim and other documents in order to have the claims of the Lender lodged in any bankruptcy, winding-up or other judicial proceeding relating to the Grantor.

12. Powers of Receiver. Any Receiver appointed by the Lender may be any person or persons, and the Lender may remove any Receiver so appointed and appoint another or others instead. Any Receiver appointed shall act as agent for the Lender for the purposes of taking possession of the Collateral and (except as provided below) as agent for the Grantor for all other purposes, including without limitation the occupation of any premises of the Grantor and in carrying on the Grantor's business. For the purposes of realizing upon the Security Interest, the Receiver may sell, lease or otherwise dispose of Collateral as agent for the Grantor or as agent for the Lender as it may determine in its discretion. The Grantor agrees to ratify and confirm all actions of the Receiver acting as agent for the Grantor, and to release and indemnify the Receiver in respect of all such actions. Any Receiver so appointed shall have the following powers:

- (a) to enter upon, use and occupy all premises owned or occupied by the Grantor;
- (b) to take possession of the Collateral;
- (c) to carry on the business of the Grantor;
- (d) to borrow money required for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Grantor, and in the discretion of such Receiver, to charge and grant further security interests in the Collateral in priority to the Security Interest, as security for the money so borrowed;
- (e) to sell, lease or otherwise dispose of the Collateral or any part thereof on such terms and conditions and in such manner as the Receiver shall determine in its discretion;

- (f) to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and to give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the Accounts or any other obligation of any third party to the Grantor; and
- (g) to exercise any rights or remedies which could have been exercised by the Lender against the Grantor or the Collateral.

13. Exercising Remedies. Any remedy may be exercised separately or in combination and is in addition to, and not in substitution for, any other rights or remedies the Lender may have, however created. The Lender is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to any other rights of the Lender in respect of the Obligations including the right to claim for any deficiency.

14. Dealings with Collateral.

- (a) The Lender is not obliged to exhaust their recourse against the Grantor or any other person or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Lender considers desirable.
- (b) The Lender may grant extensions or other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Grantor and with other persons, guarantors, sureties or security as it may see fit without prejudice to the Obligations, the liability of the Grantor or the rights of the Lender in respect of the Collateral.
- (c) The Lender is not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.
- (d) To the extent that applicable law imposes duties on the Lender to exercise remedies in a commercially reasonable manner, and without prejudice to the ability of the Lender to dispose of the Collateral in any such manner, the Grantor acknowledges and agrees that it is not commercially unreasonable for the Lender to, and the Lender may, in its discretion (i) incur expenses reasonably deemed significant by the Lender to prepare the Collateral for disposition, (ii) exercise collection remedies directly or through the use of collection agencies, (iii) dispose

of Collateral by way of public auction, public tender or private contract, with or without advertising and without any other formality, (iv) dispose of Collateral to a customer or client of the Lender (v) contact other persons, whether or not in the same business as the Grantor, for expressions of interest in acquiring all or any portion of the Collateral, (vi) hire one or more professional auctioneers to assist in the disposition of the Collateral, whether or not the Collateral is of a specialized nature, (vii) establish an upset or reserve bid or price in respect of the Collateral, and (viii) establish such terms as to credit or otherwise as the Lender may determine.

- (e) The Grantor acknowledges that the Lender may be unable to complete a public sale of any or all of the Collateral consisting of Investment Property by reason of certain prohibitions contained in applicable securities laws or otherwise. In connection therewith, it may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire the Collateral for their own account for investment and not with a view to the distribution or resale thereof. Any such private sale may result in prices and other terms less favourable to the seller than if such sale were a public sale and, notwithstanding such circumstances, the Grantor agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner by reason of it being a private sale. The Lender is under no obligation to delay a sale of any or all of the Collateral for the period of time necessary to permit the issuer thereof to register such Collateral for public sale under applicable securities law or otherwise, even if the issuer agrees to do so.

15. Application of Payments. All payments made in respect of the Obligations and all monies received by the Lender or any Receiver appointed by the Lender in respect of the enforcement of the Security Interest (including the receipt of any Money) may be held as security for the Obligations or applied in such manner as may be determined in the discretion of the Lender or the Receiver, as the case may be, and the Lender may at any time apply or change any such appropriation of such payments or monies to such part or parts of the Obligations as the Lender may determine in its discretion. The Grantor shall remain liable to the Lender for any deficiency; and any surplus funds realized after the satisfaction of all Obligations shall be paid in accordance with applicable law.

16. Notice. Any demand, notice, direction or other communication to be made or given hereunder shall be made in accordance with the terms and provisions of the Guarantee.

17. Power of Attorney. The Grantor hereby constitutes and appoints the Lender or any officer thereof as its true and lawful attorney, effective upon the Security Interest becoming enforceable, with full power of substitution, to execute all documents and take all actions as may be necessary or desirable to perform any obligations of the Grantor arising pursuant to this Agreement, and in executing such documents and taking such actions, to use the name of the Grantor whenever and wherever it may be considered necessary or expedient. These powers are coupled with an interest and are irrevocable until all of the Obligations have been repaid in full and this Agreement is terminated and the Security Interest created herein has been released.

18. Separate Security. This Agreement and the Security Interest are in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the Grantor, the Obligations or the Collateral and any other present and future rights or remedies which the Lender might have with respect thereto.

19. No Obligation to Advance. Nothing in this Agreement shall obligate the Lender to make any loan or accommodation to the Grantor or any other party in connection with this Agreement, or extend the time for payment or satisfaction of any Obligations.

20. Amalgamation of Corporation. In the event the Grantor amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest will (a) extend to all of the property and assets that (i) any of the amalgamating corporations own, or (ii) the amalgamated corporation thereafter acquires, and (b) secure the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by any of the amalgamating corporations and the amalgamated corporation to the Lender in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of, or subsequent to, the amalgamation. The Security Interest will attach to the property and assets of the amalgamating corporations not previously subject to this Agreement at the time of amalgamation and to any property or assets thereafter owned or acquired by the amalgamated corporation when same becomes owned or is acquired. Upon any such amalgamation, the defined term "Grantor" means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term "Collateral" means all of the property, assets, undertaking and interests described in (a) above, and the defined term "Obligations" means the obligations described in (b) above.

21. Amendments. This Agreement may only be amended, supplemented or otherwise modified by written agreement of the Lender and the Grantor.

22. Waivers. The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

23. Discharge. The Security Interest will be discharged upon, but only upon, (a) full and indefeasible payment and performance of the Obligations, (b) the Grantor having no obligations under the Loan Agreement and the other Credit Documents, and (c) at the request and expense of the Grantor. In that connection, the Lender will execute and deliver to the Grantor such releases and discharges as the Grantor may reasonably require.

24. Joint and Several. If this Agreement has been executed by more than one debtor, their obligations hereunder shall be joint and several, and all references to the "Grantor" herein shall refer to all such debtors, as the context requires.

25. Number, Gender and Persons. Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

26. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by applicable law. Each provision of this Agreement is declared to be separate, severable and distinct.

27. Successors and Assigns. This Agreement is binding upon the Grantor, its successors and assigns, and enures to the benefit of the Lender and its respective its successors and assigns. This Agreement and all rights of the Lender are assignable without the consent of, or notice to the Grantor, and in any action brought by an assignee to enforce this Agreement or any right or remedy, the Grantor will not assert against the assignee any claim or defence which the Lender now has or hereafter may have against the Collateral. Neither this Agreement nor any rights, duties or obligations under this Agreement are assignable or transferable by the Grantor.

28. Time. Time shall be of the essence of this Agreement.

29. Counterparts and Execution by Facsimile. This Agreement may be executed in any number of separate counterparts (including by facsimile or other electronic means) and all such signed counterparts will together constitute one and the same agreement. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other parties by facsimile, .pdf attached to an e-mail or other means of recorded electronic transmission and such transmission with an acknowledgement of receipt shall constitute delivery of an executed copy of this Agreement to the receiving party.

30. Governing Law and Attornment. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Grantor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario in connection with this Agreement.

31. Entire Agreement. This Agreement, the Guarantee and any other documents delivered pursuant hereto and thereto including any schedules attached hereto and thereto constitutes the entire agreement between the Grantor and the Lender relating to the subject-matter hereof and

supersede all prior agreements, representations, warranties, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

32. Expenses. The Grantor shall pay forthwith upon demand to the Lender all expenses ("Expenses"), including the reasonable fees, disbursements and other charges of its counsel (on a solicitor and his own client basis), experts or agents which the Lender may incur in connection with (i) the negotiation and preparation of this Agreement, (ii) the administration of this Agreement, (iii) the custody or preservation of, or the sale of, collection from or other realization upon any of the Collateral, (iv) the exercise, enforcement or protection of any of the rights of the Lender hereunder or (v) the failure of the Grantor to perform or observe any of the provisions hereof.

33. Further Assurances. The Grantor shall from time to time, whether before or after the Security Interest has become enforceable, do all acts and things and execute and deliver all transfers, assignments and agreements as the Lender may reasonably require for (a) protecting the Collateral, (b) perfecting the Security Interest, (c) obtaining control of the Collateral, (d) exercising all powers, authorities and discretions conferred upon the Lender, and (e) otherwise enabling the Lender to obtain the full benefits of this Agreement and the rights and powers herein granted. The Grantor shall, from time to time after the Security Interest has become enforceable, do all acts and things and execute and deliver all transfers, assignments and agreements as the Lender may require for facilitating the sale or other disposition of the Collateral in connection with its realization.

34. Copy of Agreement. The Grantor acknowledges receipt of an executed copy of this Agreement.

35. Conflicts. In the event that any provisions of this Agreement contradict and are otherwise incapable of being construed in conjunction with the provisions of the Loan Agreement, the provisions of the Loan Agreement shall take precedence over those contained in this Agreement.

[Remainder of page intentionally blank; signature page follows]

This Agreement has been executed by the Grantor as of the date first stated above.

MERK INVESTMENTS LTD.

By: 

Name:

Title:

Michael Slatkany
president

By: _____

Name:

Title:

I/We have authority to bind the corporation.

SCHEDULE “A”

Location(s) of Collateral

46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9

This is Exhibit “K” referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'AD', is written over a horizontal line.

A Commissioner for taking affidavits

ADAM DRIEDGER

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111952.80

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

REPORT : PSSR060
PAGE : 1
(3273)

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

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : MERK INVESTMENTS LTD.

FILE CURRENCY : 27DEC 2022

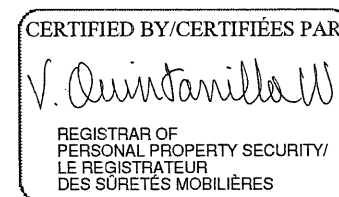
ENQUIRY NUMBER 20221228111952.80 CONTAINS 8 PAGE(S), 4 FAMILY(IES).

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

THORNTON GROUT FINNIGAN LLP - ROXANA MANEA
100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7

CONTINUED...

2



(crf6 05/2022)



RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111952.80

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

REPORT : PSSR060
PAGE : 2
(3274)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MERK INVESTMENTS LTD.
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
769474386

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20210127 0942 9392 6831 P PPSA 06

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME MERK INVESTMENT'S LTD. ONTARIO CORPORATION NO.
04 ADDRESS 46 VILLAGE CENTRE PLACE MISSISSAUGA ON L4Z 1V9

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

08 SECURED PARTY / AUTO ONE GROUP LIMITED
09 LIEN CLAIMANT ADDRESS 150 OAKDALE ROAD TORONTO ON M3N 1V9

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X 173355 X

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE 2021 AUDI RS Q8 4.0 TFSI QUAT WU1ARAF16MD016544

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
AGENT

17 ADDRESS

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

CONTINUED...

3

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111952.80

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

REPORT : PSSR060
PAGE : 3
(3275)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MERK INVESTMENTS LTD.
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
757374921

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20191107 0959 9392 5953 P PPSA 05

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME MERK INVESTMENTS LTD. ONTARIO CORPORATION NO.
04 ADDRESS 46 VILLAGE CENTRE PLACE MISSISSAUGA ON L4Z 1V9

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

08 SECURED PARTY / AUTO ONE GROUP LIMITED
09 LIEN CLAIMANT ADDRESS 150 OAKDALE ROAD TORONTO ON M3N 1V9

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X 33527 X

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE 2017 AUDI A4 WAUENAF43HN021105

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
AGENT

17 ADDRESS

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

CONTINUED...

4

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario



RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111952.80

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

REPORT : PSSR060
PAGE : 4
(3276)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MERK INVESTMENTS LTD.
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
746078454

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	1		20181121 1601 9392 5146	P PPSA	05

02 DEBTOR
03 NAME
04 BUSINESS NAME
05 DATE OF BIRTH
06 FIRST GIVEN NAME
07 INITIAL
08 SURNAME

03 NAME
04 BUSINESS NAME
05 DATE OF BIRTH
06 FIRST GIVEN NAME
07 INITIAL
08 SURNAME
09 ADDRESS
46 VILLAGE CENTRE PLACE
MISSISSAUGA
ONTARIO CORPORATION NO.
ON L4Z 4V9

05 DEBTOR
06 NAME
07 BUSINESS NAME
08 DATE OF BIRTH
09 FIRST GIVEN NAME
10 INITIAL
11 SURNAME

06 NAME
07 BUSINESS NAME
08 DATE OF BIRTH
09 FIRST GIVEN NAME
10 INITIAL
11 SURNAME
12 ADDRESS
150 OAKDALE ROAD
TORONTO
ON M3N 1V9

08 SECURED PARTY /
09 LIEN CLAIMANT
10 ADDRESS
150 OAKDALE ROAD
TORONTO
ON M3N 1V9

COLLATERAL CLASSIFICATION	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
	X						X	39072			X

11 MOTOR
12 VEHICLE
13 YEAR MAKE
2016 MERCEDES-BENZ
14 MODEL
E250
15 V.I.N.
WDDHF9HB5GB184321

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
17 AGENT

17 ADDRESS

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

CONTINUED...

5

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111952.80

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

REPORT : PSSR060
PAGE : 5
(3277)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MERK INVESTMENTS LTD.
FILE CURRENCY : 27DEC 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
710867502

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20151015 1044 1590 5399 P PPSA 4

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME MERK INVESTMENTS LTD. ONTARIO CORPORATION NO.
04 ADDRESS 46 VILLAGE CENTRE PLACE, 3RD FLOOR MISSISSAUGA ON L4Z 1V9

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

08 SECURED PARTY / SPROTT BRIDGING INCOME FUND LP
09 LIEN CLAIMANT ADDRESS 77 KING STREET WEST, SUITE 2925 TORONTO ON M5K 1K7

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

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

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING WILDEBOER DELLELCE LLP
17 AGENT ADDRESS 800 - 365 BAY STREET TORONTO ON M5H 2V1

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

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crjfv 05/2022)

Ontario 

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111952.80

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

REPORT : PSSR060
PAGE : 6
(3278)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MERK INVESTMENTS LTD.
FILE CURRENCY : 27DEC 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	001	001		20181120 0916 1862 6849	
21	RECORD REFERENCED	FILE NUMBER	710867502		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
		X	B RENEWAL	5	
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	MERK INVESTMENTS LTD.		
25	OTHER CHANGE				
26	REASON/				
27	DESCRIPTION				
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05	DEBTOR/				
03/	TRANSFeree	BUSINESS NAME			
06					
04/07	ADDRESS				
29	ASSIGNOR				
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE				
09	ADDRESS				
	COLLATERAL CLASSIFICATION				
	CONSUMER	MOTOR VEHICLE	DATE OF	NO FIXED	
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED	AMOUNT MATURITY OR	MATURITY DATE
10	YEAR	MAKE	MODEL	V.I.N.	
11	MOTOR				
12	VEHICLE				
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTERING AGENT OR	WILDEBOER DELLELCE LLP (PA-M)			
17	SECURED PARTY/ LIEN CLAIMANT	ADDRESS	365 BAY STREET, SUITE 800	TORONTO	ON M5H 2V1

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

CONTINUED...

7

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario 

RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111952.80

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

REPORT : PSSR060
PAGE : 7
(3279)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MERK INVESTMENTS LTD.
FILE CURRENCY : 27DEC 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL MOTOR VEHICLE PAGES SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	001	001	20181120 0920 1862 6851	
21	RECORD REFERENCED	FILE NUMBER	710867502	
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS
		X	A AMENDMENT	CORRECT PERIOD
23	REFERENCE	FIRST GIVEN NAME	INITIAL	SURNAME
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	MERK INVESTMENTS LTD.	
25	OTHER CHANGE			
26	REASON/	AMENDED TO ADD AN ADDITIONAL SECURED PARTY TO THE REGISTRATION.		
27	DESCRIPTION			
28				
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	DEBTOR/			
03/	TRANSFeree	BUSINESS NAME		
06				
04/07	ADDRESS	ONTARIO CORPORATION NO.		
29	ASSIGNOR			
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	BRIDGING FINANCE INC., AS AGENT		
09	ADDRESS	77 KING STREET WEST, SUITE 2925	TORONTO	ON M5K 1K7
	COLLATERAL CLASSIFICATION			
	CONSUMER	MOTOR VEHICLE	DATE OF	NO FIXED
	GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED	AMOUNT MATURITY OR MATURITY DATE
10	YEAR	MAKE	MODEL	V.I.N.
11	MOTOR			
12	VEHICLE			
13	GENERAL			
14	COLLATERAL			
15	DESCRIPTION			
16	REGISTERING AGENT OR	WILDEBOER DELLELCE LLP (PA-M)		
17	SECURED PARTY/ LIEN CLAIMANT	ADDRESS	365 BAY STREET, SUITE 800	TORONTO ON M5H 2V1

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

CONTINUED...

8

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario



RUN NUMBER : 362
RUN DATE : 2022/12/28
ID : 20221228111952.80

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

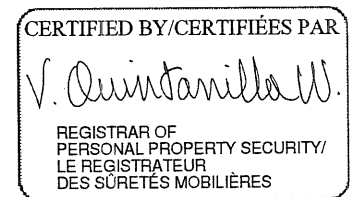
REPORT : PSSR060
PAGE : 8
(3280)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : MERK INVESTMENTS LTD.
FILE CURRENCY : 27DEC 2022

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
769474386	20210127 0942 9392 6831			
757374921	20191107 0959 9392 5953			
746078454	20181121 1601 9392 5146			
710867502	20151015 1044 1590 5399	20181120 0916 1862 6849	20181120 0920 1862 6851	

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



(crfj6 05/2022)

This is Exhibit "L" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

ADAM DRIEDGER

October 17, 2022

PRIVATE & CONFIDENTIAL

VIA EMAIL

Chaitons LLP
5000 Yonge St
North York, ON
M2N 7E9

Attention: Harvey Chaiton

Dear Harvey:

Re: Indebtedness of Skymark Finance Corporation (“Skymark”) to Bridging Finance Inc., as agent (in such capacity, the “Agent”) for Bridging Income Fund LP *et al* (collectively, the “Lender”)

We are the lawyers for PricewaterhouseCoopers Inc. in its capacity as receiver and manager (the “**Receiver**”) of all of the property, assets, and undertakings of the Agent, the Lender, and certain related entities and investment funds.

Loan Agreement & Security

We refer to the loans (collectively, the “**Loans**”) made available by the Lender to Skymark pursuant to a term sheet dated April 28, 2015, as amended by: (i) a first amending agreement dated October 29, 2015; (ii) a second amending agreement dated December 14, 2015; (iii) a third amending agreement dated May 17, 2016; (iv) a fourth amending agreement dated October 4, 2016; (v) a “4B” amending agreement dated May 15, 2017; (vi) a fifth amending agreement dated July 21, 2017; (vii) a sixth amending agreement dated March 1, 2018; (viii) a seventh amending agreement dated November 22, 2018; (ix) an eighth amending agreement dated February 1, 2019; and (x) a ninth amending agreement dated April 30, 2020 (collectively, the “**Loan Agreement**”). All capitalized terms not expressly defined herein are defined in the Loan Agreement.

Skymark is indebted to the Lender under the Loans in the amount of \$46,335,646.76 as at September 30, 2022 as set out at **Schedule “A”** hereto (the “**Indebtedness**”).

As security for all of the present and future indebtedness and obligations of Skymark to the Lender under the Loans, Skymark granted to the Lender, among other things, security over all of its

personal property as well as all of its present and future real property located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9 pursuant to a general security agreement dated April 28, 2015 (the “**GSA**”).

As set out in our letter of October 7, 2022, Skymark is in default of its obligations under the Loan Agreement as a result of its failure to repay when due the amounts outstanding under the Loans (the “**Payment Default**”). The Payment Default constitutes an Event of Default under the Loan Agreement. The Payment Default is continuing as at the date hereof and has not been waived by the Receiver.

Demand for Payment

As a result of the maturity of the Loans and the Payment Default, the Indebtedness is immediately due and payable in accordance with the terms of the Loan Agreement. On behalf of the Receiver, the Agent, and the Lender, we hereby demand payment from Skymark of \$46,335,646.73 in respect of the Indebtedness, together with interest thereon and all costs, including all legal, consultant and other agent fees and disbursements incurred by the Receiver, the Agent, and/or the Lender to the date of payment in accordance with the terms of the Loan Agreement. Pursuant to the Loan Agreement, interest accrues on the Indebtedness (with the exception of the Indebtedness related to MSCI Subfacility A and GM Foods Subfacility B) at the Prime Rate plus 7.55% per annum. Interest accrues on the Indebtedness related to MSCI Subfacility A and GM Foods Subfacility B at the Prime Rate plus 11.3% per annum. As at September 30, 2022, in the aggregate, interest is accruing on the Indebtedness at the rate of approximately \$19,005.06 per day.

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 thereto (the “**Consent**”). If Skymark consents to the Receiver, on behalf of the Agent and the Lender, enforcing its rights and remedies without further delay, please date and execute one copy of the Consent and return same to the undersigned by e-mail forthwith.

In the event that Skymark fails to pay the sum indicated, the Receiver, on behalf of the Agent and the Lender, shall pursue all of its rights and remedies against Skymark.

Yours truly,

Thornton Grout Finnigan LLP



Adam Driedger

cc: Michael McTaggart, Christine Sinclair, Tyler Ray – PricewaterhouseCoopers Inc.

**Schedule “A”
Indebtedness of Skymark Finance Corporation
to the Agent and the Lender as at September 30, 2022**

Facility	Principal Balance	Accrued Interest ¹ & Fees	Total	Approx. Per Diem on Principal
Core Facility	\$16,953,779.15	\$182,634.05	\$17,136,413.20	\$6,087.80
████████ Subfacility	\$544,264.79	\$5,736.13	\$550,000.92	\$191.20
████ Subfacility	\$1,131,833.22	\$11,930.76	\$1,143,763.98	\$397.69
MVCI Subfacility A	\$17,738,327.22	\$242,768.85	\$17,981,096.07	\$8,092.29
GM Foods Subfacility B	\$9,395,790.52	\$128,582.04	\$9,524,372.56	\$4,286.07
TOTAL	\$45,763,994.90	\$571,651.83	\$46,335,646.73	\$19,005.06

¹ Interest accrues on the Indebtedness (with the exception of the Indebtedness related to MVCI Subfacility A and GM Foods Subfacility B) at the Prime Rate plus 7.55% per annum. Interest accrues on the Indebtedness related to MVCI Subfacility A and GM Foods Subfacility B at the Prime Rate plus 11.3% per annum. As at September 30, 2022, the Prime Rate is 5.45%.

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

TO: SKYMARK FINANCE CORPORATION (“Skymark”)

Take notice that:


1. Pursuant to a term sheet dated April 28, 2015 (as amended from time to time, the “**Loan Agreement**”), Bridging Finance Inc., in its capacity as agent (in such capacity, the “**Agent**”) on behalf of Bridging Income Fund LP and the related investment funds from time to time acting as lender (collectively, the “**Lender**”), made available to Skymark certain credit facilities.
2. By orders of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated April 30, 2021, May 3, 2021, and May 14, 2021 (collectively, the “**Appointment Orders**”), PricewaterhouseCoopers Inc. was appointed as receiver and manager (in such capacity, the “**Receiver**”) of the Agent, the Lender, and certain related entities and investment funds.
3. The Receiver, on behalf of the Agent and the Lender, each a secured creditor of Skymark (together, the “**Secured Creditors**”), intends to enforce the Secured Creditors’ security on Skymark’s property described below:
 - (a) all present and after-acquired personal property of Skymark and all of Skymark’s present and future real property located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9; and
 - (b) all proceeds of the foregoing collateral.
4. The security that is to be enforced is in the form of a general security agreement dated as of April 28, 2015 (the “**Security**”).
5. As at September 30, 2022, the total amount of the indebtedness secured by the Security is \$46,335,646.73 (the “**Indebtedness**”), plus interest accruing thereafter and all costs incurred by or charged to the Agent or the Lender, including, without limitation, legal and consultant fees and disbursements. Interest accrues on the Indebtedness (with the exception of the Indebtedness related to MVCI Subfacility A and GM Foods Subfacility B) at the Prime Rate plus 7.55% per annum. Interest accrues on the Indebtedness related to MVCI Subfacility A and GM Foods Subfacility B at the Prime Rate plus 11.3% per annum. As at September 30, 2022, in the aggregate, interest is accruing on the Indebtedness at the rate of approximately \$19,005.06 per day.

6. The Receiver, on behalf of the Agent and the Lender, will not have the right to enforce the Security until the expiry of the 10-day period after this notice is sent, unless Skymark consents to an earlier enforcement.

Dated at Toronto, Ontario, this 17th day of October, 2022.

PRICEWATERHOUSECOOPERS INC., solely in its capacity as court-appointed receiver and manager of the Agent and the Lender (each as defined herein), and not in its personal capacity, by Thornton Grout Finnigan LLP, its solicitors herein

Per:



Adam Driedger

CONSENT

TO: PRICEWATERHOUSECOOPERS INC., in its capacity as court-appointed receiver and manager of the Agent, the Lender, and the other Respondents (the “Receiver”)

FROM: SKYMARK FINANCE CORPORATION (“Skymark”)

Skymark acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Receiver, on behalf of the Agent and the Lender on October 17, 2022 (the “**Notice**”).

For consideration received, the receipt and sufficiency of which are hereby irrevocably acknowledged, Skymark hereby consents to the immediate enforcement by the Receiver of the Security (as defined in the Notice), and for the same consideration waives completely all rights to any delay by or any further notice from the Receiver with respect to the enforcement of the Security and the exercise of any other remedies of the Agent and the Lender against Skymark.

DATED at _____ this _____ day of October, 2022.

SKYMARK FINANCE CORPORATION

Per: _____
Name:
Title:

I have the authority to bind the corporation.

October 17, 2022

PRIVATE & CONFIDENTIAL

VIA EMAIL

Chaitons LLP
5000 Yonge St
North York, ON
M2N 7E9

Attention: Harvey Chaiton

Dear Harvey:

Re: Indebtedness of Skymark Finance Corporation (“Skymark”) to Bridging Finance Inc., as agent (in such capacity, the “Agent”) for Bridging Income Fund LP *et al* (collectively, the “Lender”)

We are the lawyers for PricewaterhouseCoopers Inc. in its capacity as receiver and manager (the “**Receiver**”) of all of the property, assets, and undertakings of the Agent, the Lender, and certain related entities and investment funds.

Loan Agreement & Security

We refer to the loans (collectively, the “**Loans**”) made available by the Lender to Skymark pursuant to a term sheet dated April 28, 2015, as amended by: (i) a first amending agreement dated October 29, 2015; (ii) a second amending agreement dated December 14, 2015; (iii) a third amending agreement dated May 17, 2016; (iv) a fourth amending agreement dated October 4, 2016; (v) a “4B” amending agreement dated May 15, 2017; (vi) a fifth amending agreement dated July 21, 2017; (vii) a sixth amending agreement dated March 1, 2018; (viii) a seventh amending agreement dated November 22, 2018; (ix) an eighth amending agreement dated February 1, 2019; and (x) a ninth amending agreement dated April 30, 2020 (collectively, the “**Loan Agreement**”). All capitalized terms not expressly defined herein are defined in the Loan Agreement.

Skymark is indebted to the Lender under the Loans in the amount of \$46,335,646.73 as at September 30, 2022 as set out at **Schedule “A”** hereto (the “**Indebtedness**”). As set out in our letter of October 7, 2022, Skymark is in default of its obligations under the Loan Agreement as a result of its failure to repay the Loans on maturity (the “**Payment Default**”). The Payment Default

constitutes an “Event of Default” under the Loan Agreement. The Payment Default is continuing as at the date hereof and has not been waived by the Receiver.

Merk Investments Guarantee & GSA

We also refer to the guarantee of Merk Investments Ltd. (the “**Guarantor**”) of the obligations of Skymark under the Loan Agreement up to a maximum of \$1,000,000 plus interest dated as of July 2015 (the “**Guarantee**”). The obligations of the Guarantor under the Guarantee are payable on demand by the Lender. The Guarantee provides that the Lender is entitled to make demand on the Guarantor upon the occurrence of an Event of Default or if Skymark fails to pay or perform any of its obligations under the Loan Agreement. The Guarantee further provides that the Lender is not obligated to exhaust its recourse against Skymark or any other party or take any other action before being entitled to payment from the Guarantor under the Guarantee.

As security for all of the present and future obligations of the Guarantor to the Lender under the Guarantee, the Guarantor granted to the Lender security over all of its personal property as well as all of its present and future real property located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9 pursuant to a general security agreement dated April 28, 2015 (the “**GSA**”).

Demand for Payment

By letter dated October 17, 2022, the Receiver demanded payment of the Indebtedness from Skymark. On behalf of the Receiver, the Agent, and the Lender, we hereby demand payment from the Guarantor of \$1,000,000 in respect of the Indebtedness plus interest accruing from the date hereof at the Prime Rate.

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 thereto (the “**Consent**”). If the Guarantor consents to the Receiver, on behalf of the Agent and the Lender, enforcing its rights and remedies without further delay, please date and execute one copy of the Consent and return same to the undersigned by e-mail forthwith.

In the event that the Guarantor fails to pay the sum indicated, the Receiver, on behalf of the Agent and the Lender, shall pursue all of its rights and remedies against the Guarantor.

Yours truly,

Thornton Grout Finnigan LLP



Adam Driedger

cc: Michael McTaggart, Christine Sinclair, Tyler Ray – PricewaterhouseCoopers Inc.

**Schedule “A”
Indebtedness of Skymark Finance Corporation
to the Agent and the Lender as at September 30, 2022**

Facility	Principal Balance	Accrued Interest¹ & Fees	Total	Approx. Per Diem on Principal
Core Facility	\$16,953,779.15	\$182,634.05	\$17,136,413.20	\$6,087.80
████████ Subfacility	\$544,264.79	\$5,736.13	\$550,000.92	\$191.20
████ Subfacility	\$1,131,833.22	\$11,930.76	\$1,143,763.98	\$397.69
MVCI Subfacility A	\$17,738,327.22	\$242,768.85	\$17,981,096.07	\$8,092.29
GM Foods Subfacility B	\$9,395,790.52	\$128,582.04	\$9,524,372.56	\$4,286.07
TOTAL	\$45,763,994.90	\$571,651.83	\$46,335,646.73	\$19,005.06

¹ Interest accrues on the Indebtedness (with the exception of the Indebtedness related to MVCI Subfacility A and GM Foods Subfacility B) at the Prime Rate plus 7.55% per annum. Interest accrues on the Indebtedness related to MVCI Subfacility A and GM Foods Subfacility B at the Prime Rate plus 11.3% per annum. As at September 30, 2022, the Prime Rate is 5.45%.

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


TO: MERK INVESTMENTS LTD. (“Merk”)

Take notice that:

1. Pursuant to a term sheet dated April 28, 2015 (as amended from time to time, the “**Loan Agreement**”), Bridging Finance Inc., in its capacity as agent (in such capacity, the “**Agent**”) on behalf of Bridging Income Fund LP and the related investment funds from time to time acting as lender (collectively, the “**Lender**”), made available to Skymark Finance Corporation (“**Skymark**”) certain credit facilities (the “**Loans**”). Merk guaranteed the obligations of Skymark under the Loan Agreement up to a maximum of \$1,000,000 plus interest pursuant to a guarantee agreement dated as of July 2015 (the “**Guarantee**”). The obligations of Merk pursuant to the Guarantee are secured by a general security agreement dated as of July 2015.
2. By orders of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated April 30, 2021, May 3, 2021, and May 14, 2021 (collectively, the “**Appointment Orders**”), PricewaterhouseCoopers Inc. was appointed as receiver and manager (in such capacity, the “**Receiver**”) of the Agent, the Lender, and certain related entities and investment funds.
3. The Receiver, on behalf of the Agent and the Lender, each a secured creditor of Merk (together, the “**Secured Creditors**”), intends to enforce the Secured Creditors’ security on Merk’s property described below:
 - (a) all present and after-acquired personal property of Merk and all of Merk’s present and future real property located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9; and
 - (b) all proceeds of the foregoing collateral.
4. The security that is to be enforced is in the form of a general security agreement dated as of July 2015 (the “**Security**”).
5. As at October 17, 2022, the total amount of the indebtedness secured by the Security is \$1,000,000 (the “**Indebtedness**”), plus interest accruing hereafter at the Prime Rate and all costs incurred by or charged to the Agent or the Lender in accordance with the terms of the Guarantee and the Security.
6. The Receiver, on behalf of the Agent and the Lender, will not have the right to enforce the Security until the expiry of the 10-day period after this notice is sent, unless Merk consents to an earlier enforcement.

Dated at Toronto, Ontario, this 17th day of October, 2022.

PRICEWATERHOUSECOOPERS INC., solely in its capacity as court-appointed receiver and manager of the Agent and the Lender (each as defined herein), and not in its personal capacity, by Thornton Grout Finnigan LLP, its solicitors herein

Per: 

Adam Driedger

CONSENT

TO: PRICEWATERHOUSECOOPERS INC., in its capacity as court-appointed receiver and manager of the Agent, the Lender, and the other Respondents (the “Receiver”)

FROM: MERK INVESTMENTS LTD. (“Merk”)

Merk acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Receiver, on behalf of the Agent and the Lender on October 17, 2022 (the “**Notice**”).

For consideration received, the receipt and sufficiency of which are hereby irrevocably acknowledged, Merk hereby consents to the immediate enforcement by the Receiver of the Security (as defined in the Notice), and for the same consideration waives completely all rights to any delay by or any further notice from the Receiver with respect to the enforcement of the Security and the exercise of any other remedies of the Agent and the Lender against Merk.

DATED at _____ this _____ day of October, 2022.

MERK INVESTMENTS LTD.

Per: _____
Name:
Title:

I have the authority to bind the corporation.

October 17, 2022

PRIVATE & CONFIDENTIAL

VIA EMAIL

Chaitons LLP
5000 Yonge St
North York, ON
M2N 7E9

Attention: Harvey Chaiton

Dear Harvey:

Re: Indebtedness of Skymark Finance Corporation (“Skymark”) to Bridging Finance Inc., as agent (in such capacity, the “Agent”) for Bridging Income Fund LP *et al* (collectively, the “Lender”)

We are the lawyers for PricewaterhouseCoopers Inc. in its capacity as receiver and manager (the “**Receiver**”) of all of the property, assets, and undertakings of the Agent, the Lender, and certain related entities and investment funds.

Loan Agreement & Security

We refer to the loans (collectively, the “**Loans**”) made available by the Lender to Skymark pursuant to a term sheet dated April 28, 2015, as amended by: (i) a first amending agreement dated October 29, 2015; (ii) a second amending agreement dated December 14, 2015; (iii) a third amending agreement dated May 17, 2016; (iv) a fourth amending agreement dated October 4, 2016; (v) a “4B” amending agreement dated May 15, 2017; (vi) a fifth amending agreement dated July 21, 2017; (vii) a sixth amending agreement dated March 1, 2018; (viii) a seventh amending agreement dated November 22, 2018; (ix) an eighth amending agreement dated February 1, 2019; and (x) a ninth amending agreement dated April 30, 2020 (collectively, the “**Loan Agreement**”). All capitalized terms not expressly defined herein are defined in the Loan Agreement.

Skymark is indebted to the Lender under the Loans in the amount of \$46,335,646.73 as at September 30, 2022 as set out at **Schedule “A”** hereto (the “**Indebtedness**”). Skymark is in default of its obligations under the Loan Agreement as a result of its failure to repay the Loans on maturity (the “**Payment Default**”). The Payment Default constitutes an “Event of Default” under the Loan

Agreement. The Payment Default is continuing as at the date hereof and has not been waived by the Receiver.

Paul Millar Guarantee

We also refer to the personal guarantee of Paul Millar (the “**Guarantor**”) of the obligations of Skymark under the Loan Agreement up to a maximum of \$1,500,000 plus interest dated April 28, 2015 (the “**Guarantee**”). The obligations of the Guarantor under the Guarantee are payable on demand by the Lender. The Guarantee provides that the Lender is entitled to make demand on the Guarantor upon the occurrence of an Event of Default or if Skymark fails to pay or perform any of its obligations under the Loan Agreement. The Guarantee further provides that the Lender is not obligated to exhaust its recourse against Skymark or any other party or take any other action before being entitled to payment from the Guarantor under the Guarantee.

Demand for Payment

By letter dated October 17, 2022, the Receiver demanded payment of the Indebtedness from Skymark. On behalf of the Receiver, the Agent, and the Lender, we hereby demand payment from the Guarantor of \$1,500,000 in respect of the Indebtedness plus interest accruing from the date hereof at the Prime Rate.

In the event that the Guarantor fails to pay the sum indicated, the Receiver, on behalf of the Agent and the Lender, shall pursue all of its rights and remedies against the Guarantor.

Yours truly,

Thornton Grout Finnigan LLP



Adam Driedger

cc: Michael McTaggart, Christine Sinclair, Tyler Ray – PricewaterhouseCoopers Inc.

**Schedule “A”
Indebtedness of Skymark Finance Corporation
to the Agent and the Lender as at September 30, 2022**

Facility	Principal Balance	Accrued Interest ¹ & Fees	Total	Approx. Per Diem on Principal
Core Facility	\$16,953,779.15	\$182,634.05	\$17,136,413.20	\$6,087.80
████████ Subfacility	\$544,264.79	\$5,736.13	\$550,000.92	\$191.20
████ Subfacility	\$1,131,833.22	\$11,930.76	\$1,143,763.98	\$397.69
MVCI Subfacility A	\$17,738,327.22	\$242,768.85	\$17,981,096.07	\$8,092.29
GM Foods Subfacility B	\$9,395,790.52	\$128,582.04	\$9,524,372.56	\$4,286.07
TOTAL	\$45,763,994.90	\$571,651.83	\$46,335,646.73	\$19,005.06

¹ Interest accrues on the Indebtedness (with the exception of the Indebtedness related to MVCI Subfacility A and GM Foods Subfacility B) at the Prime Rate plus 7.55% per annum. Interest accrues on the Indebtedness related to MVCI Subfacility A and GM Foods Subfacility B at the Prime Rate plus 11.3% per annum. As at September 30, 2022, the Prime Rate is 5.45%.

October 17, 2022

PRIVATE & CONFIDENTIAL

VIA EMAIL

Chaitons LLP
5000 Yonge St
North York, ON
M2N 7E9

Attention: Harvey Chaiton

Dear Harvey:

Re: Indebtedness of Skymark Finance Corporation (“Skymark”) to Bridging Finance Inc., as agent (in such capacity, the “Agent”) for Bridging Income Fund LP *et al* (collectively, the “Lender”)

We are the lawyers for PricewaterhouseCoopers Inc. in its capacity as receiver and manager (the “**Receiver**”) of all of the property, assets, and undertakings of the Agent, the Lender, and certain related entities and investment funds.

Loan Agreement & Security

We refer to the loans (collectively, the “**Loans**”) made available by the Lender to Skymark pursuant to a term sheet dated April 28, 2015, as amended by: (i) a first amending agreement dated October 29, 2015; (ii) a second amending agreement dated December 14, 2015; (iii) a third amending agreement dated May 17, 2016; (iv) a fourth amending agreement dated October 4, 2016; (v) a “4B” amending agreement dated May 15, 2017; (vi) a fifth amending agreement dated July 21, 2017; (vii) a sixth amending agreement dated March 1, 2018; (viii) a seventh amending agreement dated November 22, 2018; (ix) an eighth amending agreement dated February 1, 2019; and (x) a ninth amending agreement dated April 30, 2020 (collectively, the “**Loan Agreement**”). All capitalized terms not expressly defined herein are defined in the Loan Agreement.

Skymark is indebted to the Lender under the Loans in the amount of \$46,335,646.73 as at September 30, 2022 as set out at **Schedule “A”** hereto (the “**Indebtedness**”). Skymark is in default of its obligations under the Loan Agreement as a result of its failure to repay the Loans on maturity (the “**Payment Default**”). The Payment Default constitutes an “Event of Default” under the Loan

Agreement. The Payment Default is continuing as at the date hereof and has not been waived by the Receiver.

Michael Slattery Guarantee

We also refer to the personal guarantee of Michael Slattery (the “**Guarantor**”) of the obligations of Skymark under the Loan Agreement up to a maximum of \$1,500,000 plus interest dated April 28, 2015 (the “**Guarantee**”). The obligations of the Guarantor under the Guarantee are payable on demand by the Lender. The Guarantee provides that the Lender is entitled to make demand on the Guarantor upon the occurrence of an Event of Default or if Skymark fails to pay or perform any of its obligations under the Loan Agreement. The Guarantee further provides that the Lender is not obligated to exhaust its recourse against Skymark or any other party or take any other action before being entitled to payment from the Guarantor under the Guarantee.

Demand for Payment

By letter dated October 17, 2022, the Receiver demanded payment of the Indebtedness from Skymark. On behalf of the Receiver, the Agent, and the Lender, we hereby demand payment from the Guarantor of \$1,500,000 in respect of the Indebtedness plus interest accruing from the date hereof at the Prime Rate.

In the event that the Guarantor fails to pay the sum indicated, the Receiver, on behalf of the Agent and the Lender, shall pursue all of its rights and remedies against the Guarantor.

Yours truly,

Thornton Grout Finnigan LLP



Adam Driedger

cc: Michael McTaggart, Christine Sinclair, Tyler Ray – PricewaterhouseCoopers Inc.

**Schedule “A”
Indebtedness of Skymark Finance Corporation
to the Agent and the Lender as at September 30, 2022**

Facility	Principal Balance	Accrued Interest ¹ & Fees	Total	Approx. Per Diem on Principal
Core Facility	\$16,953,779.15	\$182,634.05	\$17,136,413.20	\$6,087.80
██████████ Subfacility	\$544,264.79	\$5,736.13	\$550,000.92	\$191.20
████ Subfacility	\$1,131,833.22	\$11,930.76	\$1,143,763.98	\$397.69
MVCI Subfacility A	\$17,738,327.22	\$242,768.85	\$17,981,096.07	\$8,092.29
GM Foods Subfacility B	\$9,395,790.52	\$128,582.04	\$9,524,372.56	\$4,286.07
TOTAL	\$45,763,994.90	\$571,651.83	\$46,335,646.73	\$19,005.06

¹ Interest accrues on the Indebtedness (with the exception of the Indebtedness related to MVCI Subfacility A and GM Foods Subfacility B) at the Prime Rate plus 7.55% per annum. Interest accrues on the Indebtedness related to MVCI Subfacility A and GM Foods Subfacility B at the Prime Rate plus 11.3% per annum. As at September 30, 2022, the Prime Rate is 5.45%.

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

TO: SKYMARK FINANCE CORPORATION (“Skymark”)

Take notice that:

1. Pursuant to a term sheet dated April 28, 2015 (as amended from time to time, the “**Loan Agreement**”), Bridging Finance Inc., in its capacity as agent (in such capacity, the “**Agent**”) on behalf of Bridging Income Fund LP and the related investment funds from time to time acting as lender (collectively, the “**Lender**”), made available to Skymark certain credit facilities.
2. By orders of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated April 30, 2021, May 3, 2021, and May 14, 2021 (collectively, the “**Appointment Orders**”), PricewaterhouseCoopers Inc. was appointed as receiver and manager (in such capacity, the “**Receiver**”) of the Agent, the Lender, and certain related entities and investment funds.
3. Skymark is in default of its obligations under the Loan Agreement. By letter dated October 17, 2022, the Receiver, on behalf of the Agent and the Lender, demanded payment of the indebtedness and obligations of Skymark under the Loan Agreement.
4. The Receiver, on behalf of the Agent and the Lender, each a secured creditor of Skymark (together, the “**Secured Creditors**”), intends to enforce the Secured Creditors’ security on Skymark’s property described below:
 - (a) all present and after-acquired personal property of Skymark and all of Skymark’s present and future real property located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9; and
 - (b) all proceeds of the foregoing collateral.
5. The security that is to be enforced is in the form of a general security agreement dated as of April 28, 2015 (the “**Security**”).
6. As at November 3, 2022, the total amount of the indebtedness secured by the Security is \$46,927,423.38 (the “**Indebtedness**”), plus interest accruing thereafter and all costs incurred by or charged to the Agent or the Lender, including, without limitation, legal and consultant fees and disbursements. Interest accrues on the Indebtedness (with the exception of the Indebtedness related to MVCI Subfacility A and GM Foods Subfacility B) at the Prime Rate plus 7.55% per annum. Interest accrues on the Indebtedness related to MVCI Subfacility A and GM Foods Subfacility B at the Prime Rate plus 11.3% per annum. As at

November 3, 2022, in the aggregate, interest is accruing on the Indebtedness at the rate of approximately \$19,796.24 per day.

7. The Receiver, on behalf of the Agent and the Lender, will not have the right to enforce the Security until the expiry of the 10-day period after this notice is sent, unless Skymark consents to an earlier enforcement.

Dated at Toronto, Ontario, this 4th day of November, 2022.

PRICEWATERHOUSECOOPERS INC., solely in its capacity as court-appointed receiver and manager of the Agent and the Lender (each as defined herein), and not in its personal capacity, by Thornton Grout Finnigan LLP, its solicitors herein



Per:

Adam Driedger

CONSENT

TO: PRICEWATERHOUSECOOPERS INC., in its capacity as court-appointed receiver and manager of the Agent, the Lender, and the other Respondents (the “Receiver”)

FROM: SKYMARK FINANCE CORPORATION (“Skymark”)

Skymark acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Receiver, on behalf of the Agent and the Lender on November 4, 2022 (the “**Notice**”).

For consideration received, the receipt and sufficiency of which are hereby irrevocably acknowledged, Skymark hereby consents to the immediate enforcement by the Receiver of the Security (as defined in the Notice), and for the same consideration waives completely all rights to any delay by or any further notice from the Receiver with respect to the enforcement of the Security and the exercise of any other remedies of the Agent and the Lender against Skymark.

DATED at _____ this _____ day of November, 2022.

SKYMARK FINANCE CORPORATION

Per: _____
Name:
Title:

I have the authority to bind the corporation.

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

TO: MERK INVESTMENTS LTD. (“Merk”)

Take notice that:

1. Pursuant to a term sheet dated April 28, 2015 (as amended from time to time, the “**Loan Agreement**”), Bridging Finance Inc., in its capacity as agent (in such capacity, the “**Agent**”) on behalf of Bridging Income Fund LP and the related investment funds from time to time acting as lender (collectively, the “**Lender**”), made available to Skymark Finance Corporation (“**Skymark**”) certain credit facilities (the “**Loans**”). Merk guaranteed the obligations of Skymark under the Loan Agreement up to a maximum of \$1,000,000 plus interest pursuant to a guarantee agreement dated as of July 2015 (the “**Guarantee**”). The obligations of Merk pursuant to the Guarantee are secured by a general security agreement dated as of July 2015.
2. By orders of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated April 30, 2021, May 3, 2021, and May 14, 2021 (collectively, the “**Appointment Orders**”), PricewaterhouseCoopers Inc. was appointed as receiver and manager (in such capacity, the “**Receiver**”) of the Agent, the Lender, and certain related entities and investment funds.
3. Skymark is in default of its obligations under the Loan Agreement. By letter dated October 17, 2022, the Receiver, on behalf of the Agent and the Lender, demanded payment from Merk in the amount of \$1,000,000 in respect of the indebtedness and obligations of Skymark under the Loan Agreement.
4. The Receiver, on behalf of the Agent and the Lender, each a secured creditor of Merk (together, the “**Secured Creditors**”), intends to enforce the Secured Creditors’ security on Merk’s property described below:
 - (a) all present and after-acquired personal property of Merk and all of Merk’s present and future real property located at 46 Village Centre Place, 3rd Floor, Mississauga, Ontario, L4Z 1V9; and
 - (b) all proceeds of the foregoing collateral.
5. The security that is to be enforced is in the form of a general security agreement dated as of July 2015 (the “**Security**”).
6. As at November 3, 2022, the total amount of the indebtedness secured by the Security is \$1,000,000 (the “**Indebtedness**”), plus interest accruing hereafter at the Prime Rate and all

costs incurred by or charged to the Agent or the Lender in accordance with the terms of the Guarantee and the Security.

7. The Receiver, on behalf of the Agent and the Lender, will not have the right to enforce the Security until the expiry of the 10-day period after this notice is sent, unless Merk consents to an earlier enforcement.

Dated at Toronto, Ontario, this 4th day of November, 2022.

PRICEWATERHOUSECOOPERS INC., solely in its capacity as court-appointed receiver and manager of the Agent and the Lender (each as defined herein), and not in its personal capacity, by Thornton Grout Finnigan LLP, its solicitors herein

Per: 
Adam Driedger

CONSENT

TO: PRICEWATERHOUSECOOPERS INC., in its capacity as court-appointed receiver and manager of the Agent, the Lender, and the other Respondents (the “Receiver”)

FROM: MERK INVESTMENTS LTD. (“Merk”)

Merk acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Receiver, on behalf of the Agent and the Lender on November 4, 2022 (the “**Notice**”).

For consideration received, the receipt and sufficiency of which are hereby irrevocably acknowledged, Merk hereby consents to the immediate enforcement by the Receiver of the Security (as defined in the Notice), and for the same consideration waives completely all rights to any delay by or any further notice from the Receiver with respect to the enforcement of the Security and the exercise of any other remedies of the Agent and the Lender against Merk.

DATED at _____ this _____ day of November, 2022.

MERK INVESTMENTS LTD.

Per: _____
Name:
Title:

I have the authority to bind the corporation.

This is Exhibit "M" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'AD', is written over a horizontal line.

A Commissioner for taking affidavits

ADAM DRIEDGER

Adam Driedger

From: Adam Driedger
Sent: Friday, November 18, 2022 4:04 PM
To: Harvey G. Chaiton
Cc: Grant Moffat
Subject: Re: Bridging / Skymark - Notices of Intention to Enforce Security [IMAN-CLIENT.FID140641]

Hi Harvey,

Writing to confirm that the 10-day notice period in the BIA notice sent to each of Skymark and Merk has expired and there is no agreement to extend or toll the running of those notice periods.

Thanks,
Adam

From: Adam Driedger <ADriedger@tgf.ca>
Sent: Friday, November 4, 2022 2:10:26 PM
To: Harvey G. Chaiton <Harvey@chaitons.com>
Cc: Grant Moffat <GMoffat@tgf.ca>
Subject: Bridging / Skymark - Notices of Intention to Enforce Security [IMAN-CLIENT.FID140641]

Hi Harvey,

The Receiver withdraws the Notice of Intention to Enforce Security issued to each of Skymark and Merk on October 17, 2022. Please see the attached Notice of Intention to Enforce Security in respect of each of Skymark and Merk.

The Receiver also looks forward to receiving the information set out in our email of October 31, 2022 by no later than November 10, 2022.

Thanks,
Adam



Adam Driedger | Associate | ADriedger@tgf.ca | Direct Line +1 416 304-1152 | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | www.tgf.ca

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This is Exhibit "N" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'AD', is written over a horizontal line.

A Commissioner for taking affidavits

ADAM DRIEDGER

December 5, 2022

PRIVATE & CONFIDENTIAL

VIA EMAIL

Chaitons LLP
5000 Yonge St
North York, ON
M2N 7E9

Attention: Harvey Chaiton

Dear Harvey:

Re: Indebtedness of Skymark Finance Corporation (“Skymark”) to Bridging Finance Inc., as agent (in such capacity, the “Agent”) for Bridging Income Fund LP *et al* (collectively, the “Lender”)

We are the lawyers for PricewaterhouseCoopers Inc. in its capacity as receiver and manager (the **“Receiver”**) of all of the property, assets, and undertakings of the Agent, the Lender, and certain related entities and investment funds.

We refer to the loans (collectively, the **“Loans”**) made available by the Lender to Skymark pursuant to a term sheet dated April 28, 2015 (as amended, the **“Loan Agreement”**). All capitalized terms not expressly defined herein are defined in the Loan Agreement.

We also refer to:

- (i) our letter dated October 7, 2022 (the **“Default Letter”**), wherein the Receiver noted Skymark in default of its obligations under the Loan Agreement for failing to repay the Loans on maturity (the **“Payment Default”**) and required that all Manual Prepayments (as defined therein), or any other amounts received by Skymark that are subject to the Lender’s security, be deposited directly into and remain in the Blocked Accounts (as defined therein) in accordance with the terms of the Loan Agreement;
- (ii) our letters dated October 17, 2022 (the **“Demand Letters”**), wherein the Receiver demanded payment from Skymark, Merk Investments Ltd. (**“Merk”**), Michael Slattery, and Paul Millar of their respective obligations under the Loan Agreement and/or their respective guarantees;

- (iii) our letters dated November 4, 2022 (the “**BIA Notices**”), wherein the Receiver issued Notices of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* to Skymark and Merk in respect of the security granted by Skymark and Merk in favour of the Lender; and
- (iv) our email dated November 18, 2022, wherein we confirmed that the 10-day statutory notice periods under the BIA Notices had expired and there is no agreement by the Receiver to extend or toll the running of those notice periods.

We note that, notwithstanding the Default Letter, the Demand Letters, and the BIA Notices, Skymark remains in default of its obligations under the Loan Agreement and has failed to fully repay the amounts owing under the Loans. We also note that each of Merk, Mr. Slattery, and Mr. Millar (collectively, the “**Guarantors**”) has failed to make any payments to the Receiver on account of its respective guarantee (collectively, the “**Guarantor Defaults**”). Neither the Payment Default nor any of the Guarantor Defaults have been waived by the Receiver and there is no agreement by the Receiver to forbear from exercising any of its rights and remedies, including as it relates to such defaults. The Receiver expressly reserves all of its rights and remedies in respect of Skymark and each of the Guarantors.

We write to advise that the Receiver will be bringing a receivership application seeking the appointment of Alvarez & Marsal Canada Inc. as receiver and manager of the property of each of Skymark and Merk for the benefit of all of their respective stakeholders, including the Lender. The Receiver is in the process of preparing its application materials. Once those materials are finalized, we will consult with you regarding a return date for the application and will serve you with such materials in advance of same.

As set out in the Demand Letter, and in light of the forthcoming receivership application, the Receiver requires that all funds held or under the control of Skymark that are subject to the Lender’s security (including any Manual Prepayments) be deposited directly into and remain in the Blocked Accounts in accordance with the Loan Agreement. In anticipation of the receivership application, the Receiver requires that no property held or controlled by Skymark or Merk be disposed of or directed to any stakeholders other than the Receiver outside of the ordinary course of business.

Yours truly,

Thornton Grout Finnigan LLP



Adam Driedger

cc: Michael McTaggart, Christine Sinclair, Tyler Ray – PricewaterhouseCoopers Inc.

This is Exhibit "O" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'AD', is written over a horizontal line.

A Commissioner for taking affidavits

ADAM DRIEDGER

December 22, 2022

PRIVATE & CONFIDENTIAL

VIA EMAIL

Skymark Finance Corporation
46 Village Centre Place – 3rd Floor
Mississauga, ON
L4Z 1V9

Attention: Paul Millar

Dear Paul:

Re: Indebtedness of Skymark Finance Corporation (“Skymark”) to Bridging Finance Inc., as agent (in such capacity, the “Agent”) for Bridging Income Fund LP *et al* (collectively, the “Lender”)

We are the lawyers for PricewaterhouseCoopers Inc. in its capacity as receiver and manager (the “**Receiver**”) of all of the property, assets, and undertakings of the Agent, the Lender, and certain related entities and investment funds.

We refer to the following:

- (i) the loan (the “**Bridging-Skymark Loan**”) made available by the Lender to Skymark Finance Corporation (“**Skymark**”) pursuant to a term sheet dated July 7, 2017 (the “**Bridging-Skymark Loan Agreement**”). Pursuant to the Bridging-Skymark Loan Agreement, the purpose of the Bridging-Skymark Loan was to finance the Skymark-[REDACTED] Loan (as defined below) in connection with the acquisition by [REDACTED] of certain assets of [REDACTED] and [REDACTED] (together, the “[REDACTED]”). As security for all of the present and future indebtedness and obligations of Skymark to the Lender under the Bridging-Skymark Loan Agreement, Skymark granted to the Lender, among other things, security over all of its personal property pursuant to a general security agreement dated July 7, 2017 (the “**Skymark GSA**”); and
- (ii) the loan (the “**Skymark-[REDACTED] Loan**”) made available by Skymark to [REDACTED] pursuant to a term sheet dated July 7, 2017 (the “**Skymark-[REDACTED] Loan Agreement**”). Pursuant to the Skymark-[REDACTED] Loan Agreement, the purpose of the Skymark-[REDACTED] Loan

was to finance [REDACTED] Ontario's acquisition of certain assets of the [REDACTED]. As security for all of the present and future indebtedness and obligations of [REDACTED] Ontario to Skymark under the Skymark-[REDACTED] Loan Agreement, [REDACTED] granted to Skymark, among other things, security over all of its personal property pursuant to a general security agreement dated July 7, 2017 (the "[REDACTED] GSA").

The Receiver has been advised by Skymark that Skymark, the Agent and the Lender intended that the Skymark-[REDACTED] Loan Agreement, the Skymark-[REDACTED] Loan and the [REDACTED] GSA would be assigned by Skymark to the Agent and/or the Lender (the "[REDACTED] Loan Assignment"). The Receiver has not been provided with a written agreement that confirms the [REDACTED] Loan Assignment.

If the parties did not agree to the [REDACTED] Loan Assignment, or the [REDACTED] Loan Assignment is otherwise invalid or unenforceable, Skymark is indebted to the Agent and the Lender under the Bridging-Skymark Loan in the amount of \$23,306,371.30 as at November 30, 2022 as set out at **Schedule "A"** hereto.

On behalf of the Receiver, the Agent, and the Lender, we hereby demand payment from Skymark of \$23,306,371.30 with respect to the Bridging-Skymark Loan (assuming the parties did not agree to the [REDACTED] Loan Assignment or the [REDACTED] Loan Assignment is otherwise invalid or unenforceable), together with interest thereon and all costs, including all legal, consultant and other agent fees and disbursements incurred by the Receiver, the Agent, and/or the Lender to the date of payment.

Interest accrues on the Bridging-Skymark Loan at 10% per annum until a demand for payment is made by the Lender. After a demand for payment is made by the Lender, interest accrues at the rate of 21% per annum.

In the event that Skymark fails to pay the sum indicated, the Receiver, on behalf of the Agent and the Lender, shall pursue all of its rights and remedies against Skymark.

Yours truly,

Thornton Grout Finnigan LLP



Adam Driedger

cc: Michael McTaggart, Christine Sinclair, Tyler Ray – PricewaterhouseCoopers Inc.

Schedule “A”
Indebtedness of Skymark Finance Corporation to the
Agent and the Lender under the Bridging-Skymark Loan as at November 30, 2022

Facility	Principal Balance	Accrued Interest¹ & Fees	Total	Approx. Per Diem on Principal
Bridging-Skymark Loan	\$23,116,463.88	\$37,981.48	\$23,306,371.30	\$6,385.307

¹ Interest accrues on the amounts owing thereunder at 10% per annum until demand for payment is made. Once demand for payment is made, interest accrues at the rate of 21% per annum.

This is Exhibit "P" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'AD', is written over a horizontal line.

A Commissioner for taking affidavits

ADAM DRIEDGER

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

From: **Tyler Ray (CA)** <tyler.ray@pwc.com>

Date: Mon, May 30, 2022 at 4:06 PM

Subject: Re: April figures

To: Paul Millar <paul@yorklondon.com>

Cc: Christine Sinclair (CA) <christine.l.sinclair@pwc.com>, Oksana Kovalova <okovalova@skylarkmortgages.ca>, <mslatts@rogers.com>

Hi Paul,

Although not clear, you appear to be asserting that the regular operating cash inflows of the Skymark business have been diverted from the Scotia blocked account to a separate bank account at BMO. If this is the case, this is in clear contravention of the existing credit agreement between Skymark and Bridging. [REDACTED] has no claim or priority to these cash flows, and they remain the collateral of Bridging. I am frankly puzzled that this blocked account arrangement was changed in any way prior to the completion of a refinancing deal.

These diverted funds (including, but not limited to, all amounts from April 2022 and May 2022 that should have been sent to the Scotia blocked account) must be returned to Bridging by 5pm ET tomorrow. In addition, please provide a full accounting of these funds (such as copies of the bank statements showing the previous location of the funds).

If this is not provided by 5pm tomorrow, the Bridging Receiver will need to consider what enforcement action is necessary to protect Bridging interests.

Christine & I are available at 8:30am or 11am tomorrow to discuss. Let us know what works for you and I will send a calendar invite.

Thanks,

Tyler Ray, CPA, CA, CIRP (he/him)

PwC | Senior Manager, Consulting & Deals

T: +1 416 687 8200

Email: tyler.ray@pwc.com

PricewaterhouseCoopers Inc. LIT

PwC Tower, [18 York Street, Suite 2600, Toronto ON M5J 0B2](#)

On Mon, May 30, 2022 at 11:15 AM Paul Millar <paul@yorklondon.com> wrote:

Hi Christine,

Per our previous discussion with Tyler and Oksana, we arranged new banking with BMO for the transition with 100% payout by [REDACTED] Capital. [REDACTED] does not have arrangement with Scotia. PWC has rejected the [REDACTED] finance deal.

We will need to have a post-[REDACTED] discussion to ascertain what PWC wants to do at this stage.

Happy to jump on a call at your convenience.

Pm

Sent from my iPhone

On May 27, 2022, at 11:49, Christine Sinclair (CA) <christine.l.sinclair@pwc.com> wrote:

Hi Paul

Can you please get back to us on the below today?

Thanks
Christine

On Thu, May 26, 2022 at 1:49 PM Oksana Kovalova <okovalova@skylarkmortgages.ca> wrote:

Good afternoon to All,

Thank you for provided figures, will let you know as soon as payment will be released.

Regarding the question you have asked:

Paul will review and come back to you with replay.

With regards,

With regards

Oksana Kovalova

Accountant

46 Village Centre Place, Suit 300
Mississauga, ON, L4Z 1V9
T: 905-272-1900 EXT 250
F: 905-272-1905
www.skylarkmortgages.ca
OKovalova@skylarkmortgages.ca

From: Tyler Ray (CA) <tyler.ray@pwc.com>
Sent: Thursday, May 26, 2022 1:16 PM
To: Oksana Kovalova <okovalova@skylarkmortgages.ca>
Cc: christine.l.sinclair@pwc.com; Paul Millar <paul@yorklondon.com>; mslatts@rogers.com
Subject: Re: April figures

Hi Oksana,

Here are the numbers for [REDACTED] and [REDACTED] loans for April 2022. Please advise when the monthly payments have been made.

In addition, kindly let us know the answer to my question from last night regarding the large drop in blocked account sweeps for April 2022 - I have not provided all of the loan balances below until we can confirm that detail.

Thanks!

Other Facilities:	April 30, 2022 Balance	Interest + Fees	Principal Amortization	Total Dec Due
██████ Term Loan	576,200.00	4,996.36	12,000.00	16,996.36
██████ Term Loan	1,157,035.23	10,032.92	16,000.00	26,032.92
Total	1,733,235.23	15,029.28	28,000.00	43,029.28

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On Wed, May 25, 2022 at 5:43 PM Tyler Ray (CA) <tyler.ray@pwc.com> wrote:

Hi Oksana,

Thanks for following up - we are just wrapping up the April numbers and I will get you the ████████ and ██████ amounts shortly.

In the course of wrapping up the April numbers I was reviewing the blocked accounts and noted a rather large drop-off in the sweeps from the Scotia blocked account between March and April. March has sweeps (based on the March statement you previously provided and that I have reattached) of about \$120k. April had sweeps from the Scotia account of \$1k, which I recognize ignores the TD account but is still a large difference. Could you kindly clarify the drop?

Cheers,

Tyler Ray, CPA, CA, CIRP (he/him)

PwC | Senior Manager, Consulting & Deals

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Email: tyler.ray@pwc.com

PricewaterhouseCoopers Inc. LIT

PwC Tower, [18 York Street, Suite 2600, Toronto ON M5J 0B2](#)

On Wed, May 25, 2022 at 9:59 AM Oksana Kovalova <okovalova@skylarkmortgages.ca> wrote:

Good Morning to All,

Please advise when we can see April figures for [REDACTED] facility and [REDACTED]?

Thank you

With regards

Oksana Kovalova

Accountant
Skymark Finance Corporation
46 Village Centre Place, Suit 300
Mississauga, ON, L4Z 1V9
T: 905-272-1900 EXT 250
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Christine Sinclair, CPA, CA
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Oksana Kovalova

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Skymark Finance Corporation
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--

Christine Sinclair, CPA, CA
PwC | Director, Corporate Advisory & Restructuring
T: +1 416 687 8938
Email: christine.l.sinclair@pwc.com
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Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

ADAM DRIEDGER

Christine Sinclair (CA) <christine.l.sinclair@pwc.com>

RE: Payout report Sep 2022

1 message

Oksana Kovalova <okovalova@skylarkmortgages.ca>

Mon, Oct 17, 2022 at 2:36 PM

To: "Christine Sinclair (CA)" <christine.l.sinclair@pwc.com>

Cc: Paul Millar <paul@yorklondon.com>, "Tyler Ray (CA)" <tyler.ray@pwc.com>

Hi Christine,

I am able to provide the transaction history for 2 BMO account with details, as of Sep 30, 2022,
Please see attachments:

BMO transaction history and Bank statement for both accounts:
Blocked and operation one. Period: March to September, 2022

Oksana

From: Christine Sinclair (CA) <christine.l.sinclair@pwc.com>**Sent:** Monday, October 17, 2022 2:01 PM**To:** Oksana Kovalova <okovalova@skylarkmortgages.ca>**Cc:** Paul Millar <paul@yorklondon.com>; Tyler Ray (CA) <tyler.ray@pwc.com>**Subject:** Re: Payout report Sep 2022

Thank you Oksana. Appreciate you making that change.

It would be helpful to get the accounting of receipts in the BMO account and how they were spent since the account was opened up to the end of September.

Thank you!

Christine

On Mon, Oct 17, 2022 at 1:44 PM Oksana Kovalova <okovalova@skylarkmortgages.ca> wrote:

Hi Christine,

I got confuse with all updated I have heard today, could you please be more specific and clarify, what exactly you are looking for.

If it is Bmo account you talk about what period you are interest in?

also Please be advised I have reset the email payment setting and all email payments will go to Skymark blocked account.

Oksana

From: Christine Sinclair (CA) <christine.l.sinclair@pwc.com>
Sent: Monday, October 17, 2022 12:12 PM
To: Paul Millar <paul@yorklondon.com>
Cc: Oksana Kovalova <okovalova@skylarkmortgages.ca>; Tyler Ray (CA) <tyler.ray@pwc.com>
Subject: Re: Payout report Sep 2022

Hi Paul/Oksana

Last week I requested an accounting of which amounts had been deposited into the BMO accounts and then subsequently used for operating expenses. Can you please provide an update on this?

Thanks

On Wed, Oct 12, 2022 at 12:31 PM Paul Millar <paul@yorklondon.com> wrote:

Hi Oksana,

Thank you. I'm available to discuss with you both at anytime. Pm

Sent from my iPhone

On Oct 12, 2022, at 11:05, Oksana Kovalova <okovalova@skylarkmortgages.ca> wrote:

Hi Christine,

Will see what we can do.

HST- answer is simple SkyMark didn't have money to pay.

Oksana

From: Christine Sinclair (CA) <christine.l.sinclair@pwc.com>
Sent: Wednesday, October 12, 2022 9:44 AM
To: Oksana Kovalova <okovalova@skylarkmortgages.ca>
Cc: Paul Millar <paul@yorklondon.com>
Subject: Re: Payout report Sep 2022

Thank you Oksana.

All collections from the core portfolio are to be swept to Bridging and not used for business expenses. The BMO account should not even be accepting payments as all amounts should be flowing through Scotia and TD blocked accounts only, as previously discussed and communicated months ago. Please remit all amounts that have ever been deposited in the BMO account to Bridging immediately (from balances in the operating account or otherwise).

In addition, what is the plan re: payment of outstanding HST? Why have these payments not been kept up to date?

I appreciate your attention to both of the above matters.

Christine

On Wed, Oct 12, 2022 at 9:37 AM Oksana Kovalova <okovalova@skylarkmortgages.ca> wrote:

Hi Christine,

1. Please see schedule which has been send to CRA,

Current outstanding filed balance:

	Type	Date	Num	Open Balance
Receiver General				
	General Journal	02/28/2022	GST/HSTCA0069	32,329.64
	General Journal	03/31/2022	GST/HSTCA0070	23,231.00
	General Journal	04/30/2022	GST/HSTCA0071	24,525.75
	General Journal	05/31/2022	GST/HSTCA0072	32,507.21
	General Journal	06/30/2022	GST/HSTCA0073	34,025.13
	General Journal	07/31/2022	GST/HSTCA0074	39,677.19
	General Journal	08/31/2022	GST/HSTCA0075	28,292.06
Total Receiver General				214,587.98
				214,587.98

2. the money from BMO has been transferred to Operation account on beginning of the month to paid some bills, so unfortunately I am not able to transfer that amount.

With regards

Oksana Kovalova

Accountant
Skymark Finance Corporation
 46 Village Centre Place, Suit 300
 Mississauga, ON, L4Z 1V9
 T: 905-272-1900 EXT 250
 F: 905-272-1905

okovalova@skymarkfinance.ca



From: Christine Sinclair (CA) <christine.l.sinclair@pwc.com>
Sent: Wednesday, October 12, 2022 9:25 AM
To: Oksana Kovalova <okovalova@skylarkmortgages.ca>
Subject: Re: Payout report Sep 2022

Thanks Oksana.

As a follow up to our call yesterday, can you please

- 1) provide a full accounting of the GST outstanding and details of the payment plan negotiated with the CRA?
- 2) confirm that funds in the BMO account will be transferred to Bridging?

Thank you!

Christine

On Wed, Oct 12, 2022 at 9:20 AM Oksana Kovalova <okovalova@skylarkmortgages.ca> wrote:

Good morning Christine,

1. Undeposited funds generated by QB before post on Bank Account

Example of GL:

Payment received:

- 1st step- AR to Undeposited funds,
- 2nd step - Undeposited funds to deposit into Bank account.

2. please refer to bank account when you see payouts mark, on the Deposit details shows all deposits made and which bank accounts it had been deposited.

Regards,

Oksana

From: Christine Sinclair (CA) <christine.i.sinclair@pwc.com>
Sent: Tuesday, October 11, 2022 4:38 PM
To: Oksana Kovalova <okovalova@skylarkmortgages.ca>
Subject: Re: Payout report Sep 2022

Hi Oksana

Thanks for the call earlier.

I just took another look at the payout report and have two follow up questions:

- 1) In the deposit tab: what are "undeposited funds"?
- 2) In the deposit tab: some payments are marked as "payout" - why are these payouts deposited in the Scotia account (as we would expect) but other payouts are deposited into the disbursement account?

Thanks for your help!

On Fri, Oct 7, 2022 at 2:46 PM Oksana Kovalova <okovalova@skylarkmortgages.ca> wrote:

Good day Dear All,

Please see attached: the SkyMark Finance Corporation's Payouts Report for Sep 2022, which includes:

- Full Payouts Listing ,Sep 2022
- Deposits details report Sep 2022
- Listing of returns, as Sep 2022

Bank statements:

TD, Scotia Bank, BMO bank – Sep 2022

If you have any questions or need more details, please let me know.

With regards

Oksana Kovalova

Accountant
SkyMark Finance Corporation
46 Village Centre Place, Suit 300
Mississauga, ON, L4Z 1V9
T: 905-272-1900 EXT 250
F: 905-272-1905

okovalova@skymarkfinance.ca



--

Christine Sinclair, CPA, CA

PwC | Director, Corporate Advisory & Restructuring

T: +1 416 687 8938

Email: christine.i.sinclair@pwc.com

PricewaterhouseCoopers Inc. LIT

PwC Tower, 18 York Street, Suite 2600, Toronto ON M5J 0B2

<http://www.pwc.com/ca>

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15 attachments **BMO bank transaction history as of Sep 30, 2022.xlsx**
176K **00021642686.2022-09-29.pdf**
147K **00021641894.2022-09-29.pdf**
148K **00021642686.2022-08-31.pdf**
148K **00021641894.2022-08-31.pdf**
174K **00021642686.2022-07-29.pdf**
144K **00021641894.2022-07-29.pdf**
147K **00021642686.2022-06-30.pdf**
169K **00021641894.2022-06-30.pdf**
213K **00021642686.2022-05-31.pdf**
191K **00021641894.2022-05-31.pdf**
337K **00021641894.2022-04-29.pdf**
209K **00021641894.2022-03-31.pdf**
140K **00021642686.2022-04-29.pdf**
231K **00021642686.2022-03-31.pdf**
145K

This is Exhibit "S" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

ADAM DRIEDGER

October 7, 2022

PRIVATE & CONFIDENTIAL

VIA EMAIL

Chaitons LLP
5000 Yonge St
North York, ON
M2N 7E9

Attention: Harvey Chaiton

Dear Harvey:

Re: Indebtedness of Skymark Finance Corporation (“Skymark”) to Bridging Finance Inc., as agent (in such capacity, the “Agent”) for Bridging Income Fund LP *et al* (collectively, the “Lender”)

We are the lawyers for PricewaterhouseCoopers Inc. in its capacity as receiver and manager (the “**Receiver**”) of all of the property, assets, and undertakings of the Agent, the Lender, and certain related entities and investment funds.

Loan Agreement

We refer to the loans (collectively, the “**Loans**”) made available by the Lender to Skymark pursuant to a term sheet dated April 28, 2015, as amended by: (i) a first amending agreement dated October 29, 2015; (ii) a second amending agreement dated December 14, 2015; (iii) a third amending agreement dated May 17, 2016; (iv) a fourth amending agreement dated October 4, 2016; (v) a “4B” amending agreement dated May 15, 2017; (vi) a fifth amending agreement dated July 21, 2017; (vii) a sixth amending agreement dated March 1, 2018; (viii) a seventh amending agreement dated November 22, 2018; (ix) an eighth amending agreement dated February 1, 2019; and (x) a ninth amending agreement dated April 30, 2020 (collectively, the “**Loan Agreement**”). All capitalized terms not expressly defined herein are defined in the Loan Agreement.

Notice of Default

As you are aware, pursuant to the Loan Agreement: (i) the Term of the Loan Agreement expired on April 30, 2022; (ii) the [REDACTED] Term Loan Maturity Date was April 30, 2022; (iii) the [REDACTED] Term

Loan Maturity Date was April 30, 2022; (iv) the MVCI Subfacility A Maturity Date was April 30, 2020; and (v) the GM Foods Subfacility B Maturity Date was April 30, 2020.

Notwithstanding the foregoing, Skymark has failed to fully repay the amounts outstanding under the Loans, contrary to the Loan Agreement (the “**Payment Default**”). The Payment Default is continuing as at the date hereof. The Receiver has not waived the Payment Default.

Pursuant to the Loan Agreement, an Event of Default occurs where Skymark fails to pay when due any principal, interest, fees, or other amounts due under the Loan Agreement or any of the Security. As such, the Payment Default constitutes an Event of Default under the Loan Agreement.

Manual Prepayments

We also understand that certain manual prepayments made by Consumers to Skymark in connection with Eligible Consumer Loans (the “**Manual Prepayments**”), which form part of the collateral subject to the Lender’s security, have been diverted from Skymark’s blocked accounts with The Bank of Nova Scotia and The Toronto-Dominion Bank (the “**Blocked Accounts**”) to Skymark’s operating account.

Pursuant to the Loan Agreement, all monies received by Skymark (including any Manual Prepayments) shall be received and held in trust for the Lender and shall be kept separate and apart from Skymark’s own funds and immediately deposited on a daily basis into one or more of the Blocked Accounts. The Loan Agreement further provides that the Lender is irrevocably and unconditionally authorized and directed by Skymark to sweep any such Blocked Accounts at any time and from time to time and apply any credit balances in such Blocked Accounts to repay any obligations of Skymark pursuant to the Loan Agreement in such order as the Lender sees fit, with any remaining funds then being deposited to Skymark’s disbursement accounts with the Lender.

As previously discussed between the Receiver and Skymark, the Receiver does not consent to the diversion of any funds (including any Manual Prepayments received by Skymark) from the Blocked Accounts, which are to be held in trust for the benefit of the Lender. The Receiver requires that all Manual Prepayments (together with any other amounts received by Skymark that form part of the collateral subject to the Lender’s security) be deposited directly into and remain in the Blocked Accounts in accordance with the terms of the Loan Agreement unless otherwise agreed to in advance by the Receiver in writing.

Please provide us by no later than October 14, 2022 with a full accounting of all funds diverted from the Blocked Accounts (including, without limitation, any principal, accrued interest, or fees related to any Manual Prepayments) within the last 12 months, the parties to whom such funds were paid or transferred, and a detailed description of the obligations on account of which such payments or transfers were made.

Except as expressly waived in writing by the Receiver, no act or failure to act by the Receiver, nor anything said or done in any discussions, correspondence or other dealings among the Receiver,

Skymark, or the shareholders, affiliates, subsidiaries, related parties, officers, directors, employees, agents or representatives of Skymark shall be construed as a waiver of any breach or default under the Loan Agreement or any of the rights or remedies of the Agent, the Lender, or the Receiver. There is no agreement by the Receiver to forbear from enforcing any of the rights and remedies of the Receiver, the Agent, or the Lender with respect to the obligations and indebtedness of Skymark under the Loans or any breach or default under the Loan Agreement which has occurred or which may occur in the future. The Receiver reserves the right to immediately exercise all such rights and remedies against Skymark at any time.

Yours truly,

Thornton Grout Finnigan LLP



Grant B. Moffat

cc: Michael McTaggart, Christine Sinclair, Tyler Ray – PricewaterhouseCoopers Inc.

This is Exhibit "T" referred to in the
Affidavit of Christine Sinclair sworn by Christine Sinclair of
the City of Toronto, in the Province of Ontario, before me at
the City of Toronto, in the Province of Ontario,
this 30th day of December, 2022 in accordance with
O. Reg. 432/20, Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

ADAM DRIEDGER

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

*IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended,
and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3,
as amended*

B E T W E E N:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as court-appointed receiver and manager of
Bridging Finance Inc. and certain related entities and investment funds)

Applicant

- and -

SKYMARK FINANCE CORPORATION and MERK INVESTMENTS LTD.

Respondents

CONSENT

ALVAREZ & MARSAL CANADA INC. hereby consents to act as receiver in the
above-captioned proceeding pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*,
RSC 1985, c B-3, as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43,
as amended.

Dated at Toronto this 29th day of December, 2022.

ALVAREZ & MARSAL CANADA INC.

Per:



Name: Greg A. Karpel

Title: Senior Vice-President

*I have authority to bind the
corporation*

IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

PRICEWATERHOUSECOOPERS INC. (solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds) Applicant	- and -	SKYMARK FINANCE CORPORATION and MERK INVESTMENTS LTD. Respondents
		Court File No. CV-22- _____ -00CL
		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) Proceedings commenced at Toronto, Ontario
		CONSENT TO ACT AS RECEIVER
		FASKEN MARTINEAU DuMOULIN LLP 333 Bay Street, Suite 2400 Bay Adelaide Centre, Box 20 Toronto, ON M5H 2T6 Dylan Chochla [LSO# 62137I] Tel: 416 868 3425 Fax: 416 364 7813 Email: dchochla@fasken.com Lawyers for the proposed Receiver, Alvarez & Marsal Canada Inc.

IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

PRICEWATERHOUSECOOPERS INC. (solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds) Applicant	- and -	SKYMARK FINANCE CORPORATION and MERK INVESTMENTS LTD. Respondents
		Court File No. CV-22-00692309-00CL
		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) Proceedings commenced at Toronto, Ontario
		AFFIDAVIT OF CHRISTINE SINCLAIR
		Thornton Grout Finnigan LLP TD West Tower, Toronto-Dominion Centre 3200 –100 Wellington Street West Toronto, ON M5K 1K7 John L. Finnigan (LSO# 24040L) Email: jfinnigan@tgf.ca Grant B. Moffat (LSO# 32380L) Email: gmoffat@tgf.ca Adam Driedger (LSO# 77296F) Email: adriedger@tgf.ca Tel: 416-304-1616 Lawyers for the Applicant

TAB 3

THIS APPLICATION made by PricewaterhouseCoopers Inc., in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds (in such capacity, the “**Applicant**”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”), appointing

Alvarez & Marsal Canada Inc. (“**A&M**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of each of Skymark Finance Corporation and Merk Investments Ltd. (together, the “**Respondents**”), was heard this day by videoconference in Toronto, Ontario, in accordance with the Guidelines to Determine Mode of Proceeding in Civil Proceedings, effective April 19, 2022.

ON READING the Affidavit of Christine Sinclair sworn December 30, 2022 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, counsel for the proposed Receiver, and such other parties listed on the counsel slip, no one else appearing although duly served as appears from the Affidavit of Service of ► sworn ►, and on reading the consent of A&M to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record herein is hereby abridged and validated such that this Application is properly returnable today, hereby dispenses with further service thereof, and authorizes substituted service thereof via electronic mail.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, A&M is hereby appointed Receiver, without security, of all of the present and future assets, undertakings, and properties of the Respondents acquired for, or used in relation to the business carried on by the Respondents and all proceeds thereof (the “**Property**”).

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Respondents and the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories of the Property, accessing and taking control of the Respondents' bank accounts and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Respondents (the "**Business**"), including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the Business, or disclaim or cease to perform any contracts of the Respondents or in respect of the Property;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, insurance brokers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the

Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the Business of the Respondents or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Respondents and to exercise all remedies of the Respondents in collecting such monies, including, without limitation, to enforce any security held by the Respondents;
- (g) to settle, extend or compromise any indebtedness owing to the Respondents;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Respondents, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Respondents, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business as follows:

- (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Respondents;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondents, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any Property owned or leased by the Respondents;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Respondents may have;
- (r) to examine under oath any current or former directors or officers of the Respondents in accordance with Rule 34 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg 194 (the “**Rules of Civil Procedure**”); and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Respondents, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that: (i) the Respondents; (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel, financial advisors, and shareholders, and all other persons acting on their instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice

of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Business, the Property, or the affairs of the Respondents, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy

any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Respondents or the Property shall be commenced or continued except with the written consent of the Receiver or

with leave of this Court and any and all Proceedings currently under way against or in respect of the Respondents or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Respondents, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall: (i) empower the Receiver or the Respondents to carry on any business which the Respondents is not lawfully entitled to carry on; (ii) exempt the Receiver or the Respondents from compliance with statutory or regulatory provisions relating to health, safety, or the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Respondents, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized

banking services, payroll services, insurance, transportation services, utility or other services to the Respondents are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Respondents or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that any employees of the Respondents shall remain the employees of the Respondents until such time as the Receiver, on the Respondents' behalf, may

terminate the employment of any such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Respondents, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a

pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER’S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to

the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property and any funds held by the Receiver on account of the Receiver’s Borrowings (as defined below), as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (collectively, “**Encumbrances**”), but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable (the “**Receiver’s Borrowings**”), provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties

conferred upon the Receiver by this Order, including interim expenditures and the fees and expenses of the Receiver and its counsel. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the Receiver’s Borrowings, together with interest and charges thereon, in priority to all Encumbrances, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with the Receiver’s Borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule “A”** hereto (the “**Receiver’s Certificates**”) for any Receiver’s Borrowings pursuant to this Order.

24. **THIS COURT ORDERS** that the Receiver’s Borrowings from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute

an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.alvarezandmarsal.com/skymark.

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by email, ordinary mail, courier, personal delivery or facsimile transmission to the Respondents' creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondents.

29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order.

All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Respondents' estate with such priority and at such time as this Court may determine.

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver, the Applicant, and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

33. **THIS COURT ORDERS** that the Receiver, its counsel and counsel for the Applicant may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies

thereof by electronic message to the creditors or any other stakeholders or other interested parties of the Respondents and their advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

SCHEDULE “A”
Receiver’s Certificate

CERTIFICATE NO. _____

AMOUNT \$_____

1. THIS IS TO CERTIFY that Alvarez & Marsal Canada Inc., the receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of each of Skymark Finance Corporation and Merk Investments Ltd. (together, the “**Respondents**”), acquired for, or used in relation to a business carried on by the Respondents (the “**Property**”), appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated the ► of MONTH, 2022 (the “**Order**”) made in an application having Court File No. CV-22-_____-00CL, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$►, being part of the total principal sum of \$► which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the

Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of MONTH, 2022.

Alvarez & Marsal Canada Inc., solely in its capacity as
Receiver of the Property, and not in its personal
capacity

Per:

Name:

Title:

IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

PRICEWATERHOUSECOOPERS INC. (solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds) Applicant	- and -	SKYMARK FINANCE CORPORATION and MERK INVESTMENTS LTD. Respondents
		Court File No. CV-00692309-00CL
		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) Proceedings commenced at Toronto, Ontario
		ORDER (Appointing Receiver)
		Thornton Grout Finnigan LLP TD West Tower, Toronto-Dominion Centre 3200 –100 Wellington Street West Toronto, ON M5K 1K7 John L. Finnigan (LSO# 24040L) Email: jfinnigan@tgf.ca Grant B. Moffat (LSO# 32380L) Email: gmoffat@tgf.ca Adam Driedger (LSO# 77296F) Email: adriedger@tgf.ca Tel: 416-304-1616 Lawyers for the Applicant

TAB 4

Court File No. ~~—CV—~~_____~~—00CL~~

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended,
and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3,
as amended

THE HONOURABLE)
JUSTICE-)
)

WEEKDAY ▶, THE #
~~DAY OF MONTH, 20YR~~ ▶

▶

)
)

DAY OF ▶, ▶

B E T W E E N:

PLAINTIFF[†]

Plaintiff

PRICEWATERHOUSECOOPERS INC.
(solely in its capacity as court-appointed receiver and manager of
Bridging Finance Inc. and certain related entities and investment funds)

Applicant

- and -

DEFENDANT

Defendant

[†]~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

SKYMARK FINANCE CORPORATION and MERK INVESTMENTS LTD.

Respondents

ORDER
(~~appointing~~Appointing Receiver)

THIS ~~MOTION~~APPLICATION made by ~~the Plaintiff~~²PricewaterhouseCoopers Inc., in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and certain related entities and investment funds (in such capacity, the “Applicant”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “CJA”), appointing ~~[RECEIVER'S NAME]~~Alvarez & Marsal Canada Inc. (“A&M”) as receiver ~~[and manager]~~ (in such ~~capacities~~capacity, the “Receiver”), without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME] (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor~~each of Skymark Finance Corporation and Merk Investments Ltd. (together, the “Respondents”), was heard this day ~~at 330 University Avenue,~~by videoconference in Toronto, Ontario, in accordance with the Guidelines to Determine Mode of Proceeding in Civil Proceedings, effective April 19, 2022.

ON READING the ~~affidavit~~Affidavit of ~~[NAME]~~Christine Sinclair sworn ~~[DATE]~~December 30, 2022 and the Exhibits thereto, and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant, counsel for the proposed Receiver, and such other parties listed on

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

the counsel slip, no one else appearing ~~for [NAME]~~ although duly served as appears from the ~~affidavit~~Affidavit of ~~service~~Service of ~~[NAME]~~ sworn [DATE], and on reading the consent of ~~[RECEIVER'S NAME]~~A&M to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Motion~~Application and the ~~Motion~~Application Record herein is hereby abridged and validated³~~so~~ such that this ~~motion~~Application is properly returnable today~~and~~, hereby dispenses with further service thereof, and authorizes substituted service thereof via electronic mail.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~A&M is hereby appointed Receiver, without security, of all of the present and future assets, undertakings, and properties of the ~~Debtor~~Respondents acquired for, or used in relation to ~~the~~ business carried on by the ~~Debtor, including~~Respondents and all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Respondents and the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

³ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories of the Property, accessing and taking control of the Respondents' bank accounts and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the ~~Debtor~~Respondents (the "Business"), including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the ~~business~~Business, or disclaim or cease to perform any contracts of the ~~Debtor~~Respondents or in respect of the Property;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, insurance brokers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver¹'s powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the ~~business~~Business of the ~~Debtor~~Respondents or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Respondents and to exercise all remedies of the ~~Debtor~~Respondents in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~Respondents;
- (g) to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Respondents;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver⁴'s name or in the name and on behalf of the ~~Debtor~~Respondents, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the ~~Debtor~~Respondents, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

⁴ ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, as follows:

- (i) without the approval of this Court in respect of any transaction not exceeding \$~~_____~~100,000, provided that the aggregate consideration for all such transactions does not exceed \$~~_____~~500,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~for~~ section 31 of the Ontario *Mortgages Act*, as the case may be,⁵ shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the ~~Debtor~~Respondents;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the ~~Debtor~~Respondents, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any ~~property~~Property owned or leased by the ~~Debtor~~Respondents;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Respondents may have;
- (r) to examine under oath any current or former directors or officers of the Respondents in accordance with Rule 34 of the Rules of Civil Procedure, R.R.O. 1990, Reg 194 (the “Rules of Civil Procedure”); and
- (s) ~~(+)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations~~;~~.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons~~(as~~

~~defined below~~), including the ~~Debtor~~Respondents, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that: (i) the ~~Debtor~~Respondents; (ii) all of ~~its~~their current and former directors, officers, employees, agents, accountants, legal counsel, financial advisors, and shareholders, and all other persons acting on ~~its~~their instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the ~~business~~Business, the Property, or the affairs of the ~~Debtor~~Respondents, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to

Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court

upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE ~~Debtor~~Respondents OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the ~~Debtor~~Respondents or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the ~~Debtor~~Respondents or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the ~~Debtor~~Respondents, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall: (i) empower the Receiver or the ~~Debtor~~Respondents to carry on any business which the ~~Debtor~~Respondents is not lawfully entitled to carry on; (ii) exempt the Receiver or the ~~Debtor~~Respondents from compliance with statutory or regulatory provisions relating to health, safety, or the environment; (iii) prevent the

filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Debtor~~Respondents, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the ~~Debtor~~Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the ~~Debtor~~Respondents are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the ~~Debtor's~~Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the ~~Debtor~~Respondents or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that ~~all~~any employees of the ~~Debtor~~Respondents shall remain the employees of the ~~Debtor~~Respondents until such time as the Receiver, on the ~~Debtor's~~Respondents' behalf, may terminate the employment of any such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver ~~shall~~may disclose personal

information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the ~~Debtor~~Respondents, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall

exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the **"Receiver's Charge"**) on the Property and any funds held by the Receiver on account of the Receiver's Borrowings (as defined below), as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and

encumbrances, statutory or otherwise, in favour of any Person (collectively, "Encumbrances"), but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass ~~its~~their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable (the "Receiver's Borrowings"), provided that the outstanding principal amount does not exceed \$~~_____~~500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures

~~⁶ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

and the fees and expenses of the Receiver and its counsel. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the ~~monies borrowed~~ Receiver's Borrowings, together with interest and charges thereon, in priority to all ~~security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person~~ Encumbrances, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with ~~its borrowings~~ the Receiver's Borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "Receiver's Certificates") for any ~~amount borrowed by it~~ Receiver's Borrowings pursuant to this Order.

24. **THIS COURT ORDERS** that the ~~monies~~ Receiver's Borrowings from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the ~~E-Service Protocol of the~~ Guide Concerning Commercial List E-Service (the **"Protocol"**) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be

found on the Commercial List website at

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

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by ~~prepaid~~[email](#), ordinary mail, courier, personal delivery or facsimile transmission to the ~~Debtor's~~[Respondents'](#) creditors or other interested parties at their respective addresses as last shown on the records of the ~~Debtor~~[Respondents](#) and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the ~~Debtor~~Respondents.

29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. **THIS COURT ORDERS** that the ~~Plaintiff~~Applicant shall have its costs of this ~~motion~~application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff~~Applicant's security or, if not so provided by the ~~Plaintiff~~Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor's~~Respondents' estate with such priority and at such time as this Court may determine.

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver, the Applicant, and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

33. **THIS COURT ORDERS** that the Receiver, its counsel and counsel for the Applicant may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the creditors or any other stakeholders or other interested parties of the Respondents and their advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

SCHEDULE "A"

Receiver's Certificate

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ Alvarez & Marsal Canada Inc., the receiver and manager (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ of each of Skymark Finance Corporation and Merk Investments Ltd. (together, the "Respondents"), acquired for, or used in relation to a business carried on by the ~~Debtor,~~ including all proceeds thereof (collectively, Respondents (the "Property"), appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the _____ day of _____ MONTH, 20__ 2022 (the "Order") made in an ~~action~~ application having Court ~~file~~ number ___CL File No. CV-22-_____-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the

Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____ MONTH, ~~20~~ 2022.

[RECEIVER'S
NAME] Alvarez
& Marsal Canada
Inc., solely in its
capacity as
Receiver of the
Property, and not
in its personal
capacity

~~3~~
3

Per
:

Name:

Title:

IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

PRICEWATERHOUSECOOPERS INC.
(solely in its capacity as court-appointed receiver and manager of
Bridging Finance Inc. and certain related entities and investment funds)

Applicant

- and -

SKYMARK FINANCE CORPORATION and
MERK INVESTMENTS LTD.

Respondents

Court File No. CV-	-00CL
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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at Toronto, Ontario

ORDER (Appointing Receiver)

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Document comparison by Workshare Compare on Friday, December 30, 2022 10:16:22 AM

Input:	
Document 1 ID	file:///C:/Users/adamd/Desktop/Model receivership order-EN.doc
Description	Model receivership order-EN
Document 2 ID	file:///C:/Users/adamd/Desktop/Draft Appointment Order (Dec 29, 2022).docx
Description	Draft Appointment Order (Dec 29, 2022)
Rendering set	Standard

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

Statistics:

	Count
Insertions	248
Deletions	214
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	462

IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as court-appointed receiver and manager of
Bridging Finance Inc. and certain related entities and investment funds)
Applicant

- and -

**SKYMARK FINANCE CORPORATION and
MERK INVESTMENTS LTD.**

Respondents
Court File No. CV-22-00692309-00CL

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

Proceedings commenced at Toronto, Ontario

**APPLICATION RECORD
(returnable on a date to be set)**

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