

Bankruptcy Court File No. BK-24-03162387-0031
Estate No. 31-3162387

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

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CANCOM SECURITY INC. OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

**MOTION RECORD OF THE APPLICANT
(Returnable December 31, 2024)**

December 23, 2024

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TO: THE SERVICE LIST

**ONTARIO
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SERVICE LIST**

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His Majesty the Queen in Right of Canada
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *BANKRUPTCY AND
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**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CANCOM SECURITY INC. OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

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TAB 1

Bankruptcy Court File No. BK-24-03162387-0031
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**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CANCOM SECURITY INC. OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

Applicant

NOTICE OF MOTION

(Returnable December 31, 2024)

(RE: Stay Extension, Administration Charge, Authorization to Pay Pre-Filing Amounts, and
Proposal Trustee's First Report)

Cancom Security Inc. (the "**Company**") will make a motion before Justice Conway at 330 University Avenue, Toronto Ontario (the "**Court**") on **December 31, 2024 at 11:00 a.m. (Eastern Time)**, or as soon after that time as the motion can be heard by judicial videoconference via Zoom at Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- in writing under subrule 37.12.1 (1) because it is on consent, unopposed or made without notice;
- in writing as an opposed motion under subrule 37.12.1 (4);
- In person;
- By telephone conference;
- By video conference.

At the following location:

Video Conference Link:

<https://ca01web.zoom.us/j/61474879934?pwd=NDQvb3ZKRkN0b3hpTWNPU1RaaWt0QT09#success>

Meeting ID: 614 7487 9934

Passcode: 796227

THE MOTION IS FOR:

1. an Order substantially in the form attached as Tab 3 of the Company's Motion Record (the "**Stay Extension Order**") that, among other things:
 - (a) extends the time to file a proposal pursuant to Section 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**") from January 4, 2025 up to and including February 18, 2025;
 - (b) grants a first-ranking priority charge against the assets, property, and undertakings (the "**Property**") of the Company ("**Administration Charge**"), in the maximum amount of \$100,000, as security for the payment of the professional fees and disbursements incurred and to be incurred by the Proposal Trustee (as defined herein), counsel to the Proposal Trustee and counsel to the Company, in connection with this proceeding;
 - (c) authorizes the Company, with the written approval of the Proposal Trustee, to pay up to the maximum cumulative amount of \$262,000.00 (plus applicable taxes) owing to the list of suppliers, appended at Schedule "A" of the Stay Extension Order (the "**Critical Suppliers**"), for goods or services actually supplied to the Company prior to December 5, 2024 if, in the opinion of the Company, such payment is necessary to maintain the uninterrupted operations of the business;

- (d) approves the First Report of Dodick Landau Inc. in its capacity as proposal trustee (the “**Proposal Trustee**”), to be filed (the “**First Report**”); and
2. such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

Background

3. The Company is a First Nation owned business that provides security solutions tailored to meet the unique needs of their customers while enhancing their personal safety, protecting their properties, and proprietary information. The Company provides a wide range of services including, among others, physical and electronic solution design, risk avoidance and optimization, security threat assessments and audits, procurement management, and project management (the “**Business**”).
4. The Company has been a business provider for security services for over 50 years and has created security solutions for a wide variety of Canadian customers including, among others, Indigenous communities, federal government, provincial government, municipal government, investment companies, construction companies, and an educational institution.
5. The Company is a service-based business that relies heavily on its security design experts to collaborate with facility owners, design architects, electrical engineers, and organizational stakeholders to ensure the appropriate security system is implemented for each customer.

The NOI Proceeding

6. In and around 2020, the Company’s business conditions changed, particularly due to the acquisition of two companies: iTrak and Think Secure Inc. The Company was growing at

a rapid rate and was unable to keep up with the demands at an organizational level.

7. The Company's accounting financial reporting and review capabilities were not sufficient for the size of business to which it had grown. Among other things, the costs were not being accurately tracked, or costs associated with a project were not being sufficiently captured or analyzed in order to have visibility on the degree to which operations were profitable or not.
8. TD Bank, the Company's principal secured lender, sent a default letter to the Company on March 21, 2024 advising the Company that they have failed to meet their reporting covenants under the Letter Agreement with TD Bank dated May 17, 2022 (the "**TD May Loan Agreement**"). Particularly, the Company sent a finalized notice to reader financial statements late, their debt service coverage ratio was -14.81% and not the required 120%, and the Company's advances under one of TD Bank's credit facilities was more than what was agreed upon.
9. On May 21, 2024, TD Bank sent another default letter to the Company advising that it was in default under one of their covenants pursuant to the TD May Loan Agreement. Particularly, the Company drew more than their borrowing base calculation permitted, which was \$918,000 overdrawn in February 2024 and \$745,000 overdrawn in March 2024.
10. The Company continued to struggle with keeping with its reporting obligations to TD Bank, ultimately, leading to them not being able to meet their payment deadlines. Among other things, the Company was unable to make payments to the Canada Revenue Agency ("**CRA**") and continued to not meet their financial obligations to TD Bank. Accordingly, TD Bank took the position that the Company was in default of its obligations under the TD May Loan Agreement. As such, on July 23, 2024, counsel to TD Bank delivered a demand letter for payment of \$1,346,965.39 (the "**TD Indebtedness**") and a Notice of Intention to

Enforce Security under Section 244 of the BIA to the Company.

11. The Company had extensive discussions with TD Bank to try to settle the TD Indebtedness. Ultimately, TD Bank and the Company agreed to entered into a forbearance agreement on September 18, 2024 (the “**Forbearance Agreement**”) to formalize the Company’s obligations and prevent TD Bank from enforcing on their security while the Company tries to preserve their Business as a going-concern and review their out of court restructuring options.
12. In and around November 2024, the Company engaged Gene Hudson Inc. (in such capacity, the “**CRO**”) to act as chief restructuring officer to implement a preliminary operational restructuring process to decrease the Company’s operating costs, enhance the Company’s market position, and sustain their operations at an organizational level.
13. As part of the preliminary restructuring, the CRO reviewed the Company’s ongoing customer agreements, modified the Company’s protocols for receiving payments, and implemented innovative ways of generating quick cash-flow for the Company.
14. Despite the preliminary restructuring, the Company’s liquidity issues persisted. In order to preserve its ongoing operations and value, the Company filed the Notice of Intention to Make a Proposal (“**NOI**”) on December 5, 2024. The primary objective of this NOI proceeding is to restructure the Company’s balance sheet and implement a long-term solution to the Company’s liquidity challenges in the interests of stakeholders.
15. Since the filing of the NOI, the Company has, among other things:
 - (a) continued to operate the Business in the normal course, with the oversight of the Proposal Trustee;

- (b) with the assistance of the Proposal Trustee, continued to assess various restructuring options;
- (c) with the assistance of the Proposal Trustee, successfully obtained an extension to the Forbearance Agreement;
- (d) with the assistance of the Proposal Trustee, prepared a 12-week cash flow forecast statement for the period ending the week of February 28, 2025 (the “**Cash Flow Forecast**”); and
- (e) engaged with stakeholders, including TD Bank, its employees, and vendors, to build consensus on the steps contemplated in this restructuring proceeding.

Extension of the Time to File a Proposal

16. The initial stay of proceedings pursuant to section 69 of the BIA expires on January 4, 2025. The stay of proceedings may be extended in increments of 45 days pursuant to subsection 50.4(9) of the BIA. The 45-day extension provided for under the BIA expires on the statutory holiday, Family Day. As such, the requested extension must be the business day immediately following that day.
17. The Company is seeking an order extending the stay of proceedings for a further 45 days up to and including February 18, 2025 (the “**Stay Period**”). The requested extension of the Stay Period is necessary and appropriate to allow the Company to continue operating while it navigates its restructuring options, protect the going-concern nature and value of the Business, and develop a viable proposal.
18. The Company has acted and will continue to act with good faith and with due diligence. No creditors will be materially prejudiced by the Stay Period.

19. The Cash Flow Forecast, prepared by the Company, with the assistance of the Proposal Trustee, demonstrates that the Company will have sufficient cash flow to operate over the Stay Period.

Administration Charge

20. The Company seeks an Administration Charge over the Property of the Company in the amount of \$100,000 to secure the fees and disbursements of counsel to the Company, the Proposal Trustee, and counsel to the Proposal Trustee incurred in connection with this NOI proceeding. The Administration Charge is proposed to rank in priority to all other security interests and charges.
21. The Administration Charge is necessary as the Company requires the expertise, knowledge and continued participation of its advisors and professionals during this NOI proceeding in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge have a distinct role in the Company's restructuring.
22. The quantum of the Administration Charge is reasonable and appropriate.
23. The Proposal Trustee supports the Administration Charge.

Authorization to Pay Critical Suppliers

24. The Stay Extension Order authorizes the Company to pay pre-filing amounts, with the consent of the Proposal Trustee, owing to suppliers for essential goods or services supplied to the Company prior to December 5, 2024, if in the opinion of the Company, such payment is necessary to maintain the uninterrupted operations of the Business. For clarity, such payments will not exceed the cumulative amount of \$262,000.00 (plus applicable taxes) unless otherwise ordered by the Court.

25. The Company relies heavily on suppliers who provide specialized services and materials. Timely payment to such suppliers is critical to ensuring their continuous provision of services to the Company. These vendors cannot be replaced at a reasonable cost and in a timely manner. The payments to the Critical Suppliers have been reflected in the Cash Flow Forecast.

Approval of Proposal Trustee's First Report

26. The Stay Extension Order seeks approval of the First Report and the activities of the Proposal Trustee and its counsel as described therein.
27. The First Report extensively describes the Proposal Trustee and its counsel's actions and activities since its appointment as Proposal Trustee. All actions and activities of the Proposal Trustee have been undertaken in the best interests of the Company and its stakeholders.

Other Grounds

28. The *Rules of Civil Procedure*, RSO 1990, Reg 194, as amended, including without limitation, Rules 1.04, 2.01, 3.02, 37, and 39.
29. *Interpretation Act*, RSC 1985, c I-21 including, without limitation, ss. 26 and 35.
30. The BIA including, without limitation, ss. 50.4, 64.2, and 69.
31. The inherent jurisdiction of this Court.
32. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED ON THE HEARING OF THE MOTION:

33. The Affidavit of Peter Smiechowski, sworn December 23, 2024;
34. The First Report of the Proposal Trustee, to be filed; and
35. Such further and other evidence as counsel may advise and this Honourable Court may permit.

December 23, 2024

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Lawyers for the Applicant

TO: THE SERVICE LIST

IN THE MATTER OF THE *BANKRUPTCY AND
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AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF CANCOM SECURITY INC.
COATING CORPORATION OF THE CITY OF TORONTO IN
THE PROVINCE OF ONTARIO

Bankruptcy Court File No. BK-24-03162387-0031⁰¹⁷
Estate No. 32-3162387

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

Proceedings commenced at Toronto

NOTICE OF MOTION OF THE APPLICANT
(Returnable December 31, 2024)

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Lawyers for the Applicant

TAB 2

Bankruptcy Court File No. BK-24-03162387-0031
Estate No. 31-3162387

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

**IN THE MATTER OF THE *BANKRUPTCY AND
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CANCOM SECURITY INC. OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

**AFFIDAVIT OF PETER SMIECHOWSKI
(Sworn December 23, 2024)**

I, **PETER SMIECHOWSKI**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the founder of Gene Hudson International Inc., the chief restructuring officer (in such capacity, the “**CRO**”) to Cancom Security Inc. (the “**Company**”) in this proceeding pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). Accordingly, I have personal knowledge of the matters set out below unless otherwise stated to be based on information and belief. Where I have relied on information from others, I state the source of such information and verily believe it to be true.

I. OVERVIEW

2. On December 5, 2024, the Company filed a Notice of Intention to Make a Proposal (“**NOI**”) under the BIA. Dodick Landau Inc. was appointed as Proposal Trustee under the NOI (in such capacity, the “**Proposal Trustee**”). Attached hereto and marked as **Exhibit “A”** is a copy of the Certificate of Filing of a Notice of Intention to Make a Proposal.

3. This affidavit is submitted in support of the Company's motion seeking an order ("**Stay Extension Order**") that, among other things:

- (a) extends the time to file a proposal pursuant to Section 50.4(9) of the BIA, from January 4, 2025 to February 18, 2025;
- (b) grants a first-ranking priority charge against the assets, property, and undertakings (the "**Property**") of the Company ("**Administration Charge**"), in the maximum amount of \$100,000, as security for the payment of the professional fees and disbursements incurred and to be incurred by the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company, in connection with this proceeding; and
- (c) authorizes the Company, with the written approval of the Proposal Trustee, to pay up to the maximum cumulative amount of \$262,000.00 (plus applicable taxes) owing to the list of suppliers, appended at Schedule "A" of the Stay Extension Order (the "**Critical Suppliers**"), for goods or services actually supplied to the Company prior to December 5, 2024 if, in the opinion of the Company, such payment is necessary to maintain the uninterrupted operations of the business; and
- (d) approves the First Report of the Proposal Trustee, to be filed (the "**First Report**").

4. The relief sought by the Company is intended to:

- (a) stabilize and preserve the going concern operations of the Company for the benefit of its stakeholders (including employees, customers, suppliers, and creditors); and
- (b) permit the development of a restructuring plan to refinance TD Indebtedness (as

defined herein) and develop a viable proposal for the general body of the Company's creditors that preserves the Business (as defined herein) and addresses the Company's liquidity issues.

II. BACKGROUND OF THE COMPANY

5. The Company is a corporation incorporated under the *Canada Business Corporations Act*. Attached hereto and marked as **Exhibit "B"** is a corporate profile report for the Company.

6. The Company is a First Nation owned business that provides security solutions tailored to meet the unique needs of their customers while enhancing their personal safety, protecting their properties, and proprietary information. The Company provides a wide range of services including, among others, physical and electronic solution design, risk avoidance and optimization, security threat assessments and audits, procurement management, and project management (the "**Business**").

7. The Company has been a business provider for security services for over 50 years and has created security solutions for a wide variety of Canadian customers including, among others, Indigenous communities, federal, provincial, municipal governments, investment companies, construction companies, and an educational institution.

8. The Company is a service-based business that relies heavily on its security design experts to collaborate with facility owners, design architects, electrical engineers, and organizational stakeholders to ensure the appropriate security system is implemented for each customer.

9. The Company employs approximately 768 employees, which consists of 182 full-time employees and 586 part-time employees. 171 of those employees are unionized and are represented by UFCW Local 1006A. The Company also employs five contractors, two which are myself and a colleague from Gene Hudson.

10. The Company's cash management system is comprised of two Canadian bank accounts: one with the Toronto-Dominion Bank ("**TD Bank**") and the other with the Royal Bank of Canada ("**RBC**"). During the NOI proceedings, the RBC account will be left open as a deposit account and will not be used unless the operating account at TD Bank is no longer available in the future.

A. Financial Difficulties

11. I am advised by Ronald Wells ("**Mr. Wells**"), who is the president of the Company that, in and around 2020, the Company's business conditions changed, particularly due to the acquisition of iTrack in November 2020 and Think Secure Inc. ("**Think Secure**") in 2021. Although iTrack and Think Secure were historically profitable, in May 2022, iTrack lost one of its biggest customer contracts resulting in the Company experiencing cash-flow issues.

12. In addition, the Company was growing at a rapid rate and was unable to keep up with the demands at an organizational level. Among other things, the Company was unable to meet their reporting covenants as set out in the TD Loan Agreements (as defined herein) and were not collecting on all their account receivables. As such, the Company's expenses rose faster than sales leading to the Company experiencing cash flow pressures.

13. Having reviewed the Company's operations since my engagement, I believe that the Company's accounting financial reporting and review capabilities were not sufficient for the size of business to which it had grown. For example, I have found several examples of costs that were not being accurately tracked, or where the costs associated with a project were not being sufficiently captured or analyzed in order to have visibility on the degree to which operations were profitable or not.

14. Mr. Wells advised me that TD Bank sent a default letter to the Company on March 21, 2024, advising the Company that they have failed to meet their reporting covenants under the

Letter Agreement with TD Bank dated May 17, 2022 (the “**TD May Loan Agreement**”). Particularly, the Company sent a finalized notice to reader financial statements late, their debt service coverage ratio was -14.81% and not the required less than 120%, and the Company’s advances under TD Bank’s operating loan was higher than what was agreed to. Attached hereto and marked as **Exhibit “C”** is TD Bank’s Default Letter dated March 21, 2024.

15. Mr. Wells similarly advises that on May 21, 2024, TD Bank sent another default letter to the Company advising that it was in default under one of their financial obligations pursuant to the TD May Loan Agreement. Particularly, the Company drew more than their borrowing base calculation permitted, which was \$918,000 overdrawn in February 2024 and \$745,000 overdrawn in March 2024. Attached hereto and marked as **Exhibit “D”** is TD Bank’s Default Letter dated May 21, 2024.

16. The Company continued to struggle with keeping up with its reporting obligations to TD Bank and generating constant cash flow, ultimately, leading to them not being able to meet their payment deadlines. Among other things, the Company was unable to make payments to the Canada Revenue Agency (“**CRA**”) for HST and continued to not meet their financial obligations to its principal secured lender, TD Bank.

17. Mr. Wells advises that TD Bank took the position that the Company was in default of its obligations under the TD May Loan Agreement. Accordingly, on July 23, 2024, counsel to TD Bank delivered a demand letter for payment of \$1,346,965.39 (the “**TD Indebtedness**”) and a Notice of Intention to Enforce Security under Section 244 of the BIA to the Company. Attached hereto and marked as **Exhibit “E”** is a copy of TD Bank’s Demand Letter and the Notice of Intention to Enforce Security dated July 23, 2024.

18. Mr. Wells advised me that the Company had extensive discussions with TD Bank to try to settle the TD Indebtedness. Ultimately, on September 18, 2024 the Company agreed to enter into

a forbearance agreement with TD Bank (the “**Forbearance Agreement**”) to formalize the Company’s obligations and prevent TD Bank from enforcing on their security while the Company tried to preserve their Business as a going-concern and to review their out of court restructuring options. Attached hereto and marked as **Exhibit “F”** is a copy of TD Bank’s Forbearance Agreement dated September 18, 2024.

19. Although the Forbearance Agreement temporarily sustained their relationship with TD Bank, the Company determined it required a long-term solution to restructure its Business. Accordingly, in and around November 2024, the Company engaged my firm to act as CRO.

20. I earned my Bachelor of Commerce from the University of Toronto. Since graduating, I became a Chartered Financial Analyst and am licensed with the Financial Service Commission for Insurance. I founded Gene Hudson International Inc., a corporate advisory firm that assists companies with, among other things, raising debt or equity and executive mentoring. I have over twenty years of experience in capital markets, particularly in selling Canadian shares and raising capital for emerging companies.

21. I worked with the Company to implement a preliminary operational restructuring process to decrease the Company’s operating costs, enhance the Company’s market position, and sustain their operations at an organizational level. I reviewed the Company’s ongoing customer agreements and modified the Company’s protocols for receiving payments from customers to include a pre-payment model rather than collecting their payments in arrears and switched to receiving funds through wire transfer, as opposed to a cheque.

22. I have also implemented new ways of generating quick cash-flow for the company. The Company is in the process of discussions with factoring companies such as, eCapital, who could purchase the Company’s account receivables in exchange for cash. Mr. Wells further advises me that the Company has invested a significant amount of time in attracting new customers from

various industries.

23. Despite the preliminary efforts to restructure the operations, the Company's liquidity issues persisted and is unable to make their arrears HST payments to CRA. In order to preserve its ongoing operations and value, the Company filed the NOI on December 5, 2024. The primary objective of this NOI proceeding is to restructure the Company's balance sheet and implement a long-term solution to the Company's liquidity challenges in the interests of all stakeholders.

B. Primary Creditors of the Company

24. Based on the list of creditors filed with the NOI (the "**List of Creditors**"), the Company has approximately \$5.8 million in liabilities of which approximately \$2 million is secured debt. Attached hereto and marked as **Exhibit "G"** is a copy of the List of Creditors filed with the NOI.

25. Pursuant to the Ontario Personal Property Security Registry Report for the Company (the "**PPSA Report**"), the Company has 8 secured creditors: TD Bank, Toyota Credit Canada, Auto One Group Limited, RBC, RCAP Leasing Inc., the Bank of Nova Scotia, TD Auto Finance (Canada) Inc., and Vault Credit Corporation. The secured creditors other than TD Bank are equipment lenders or lessors, many of which are for vehicles used by the Company's employees to perform security work for customers. Attached hereto and marked as **Exhibit "H"** is a copy of the PPSA Report.

26. TD Bank is the Company's principal secured creditor with respect to certain Credit Facilities (as defined herein) pursuant to the Letter Agreement dated July 12, 2019, the TD May Loan Agreement, and Letter Agreement dated March 7, 2024 (collectively, the "**TD Loan Agreements**"). Attached hereto and marked as **Exhibit "I"** are the TD Loan Agreements dated July 12, 2019, May 17, 2022 and March 7, 2024.

27. Pursuant to the TD Loan Agreement, the Company has the following Credit Facilities with

TD Bank:

- (a) operating loan;
- (b) committed reduced term facility (single draw); and
- (c) letter of credit (collectively, the “**Credit Facilities**”).

28. TD Bank is owed approximately \$1.9 million pursuant to the TD Loan Agreements. The Company is also indebted to the CRA in the approximate amount of \$2.8 million for HST.

29. The Company’s unsecured creditors are for trade payables and operating costs accrued in the ordinary course. The Company’s primary trade payables are related to the purchase of supplies to sustain the Company’s services.

III. RESTRUCTURING STRATEGY

30. The purpose of the NOI proceeding is to provide the Company with the necessary breathing room to evaluate refinancing options with TD Bank, formulate a viable proposal for its other creditors and exit the NOI proceedings with a positive cash flow balance.

31. I believe that a liquidation or sale of the Company’s assets is not a prudent option as it would be detrimental to stakeholders. The Company is a First Nations owned business allowing it to receive access to various forms of funding and customers also receive economic and reputational benefits that would not be available if the Company was not a First Nations owned business. I believe, that to avoid the destruction of value to the Company’s customer contracts, it needs to continue to operate under the current ownership.

IV. RELIEF SOUGHT

A. Extension of the Stay of Proceedings

32. The initial 30-day stay of proceedings under the BIA expires at the end of the day on January 4, 2025.

33. Since the filing of the NOI on December 5, 2024, the Company has acted diligently and in good faith towards maximizing realization for its stakeholders and developing a proposal for its creditors. Among other things, the Company, with the assistance of the Proposal Trustee, has:

- (a) continued to operate the Business in the normal course, with the oversight of the Proposal Trustee;
- (b) successfully obtained an extension to the Forbearance Agreement with TD Bank;
- (c) engaged with stakeholders, including TD Bank and vendors, to build consensus on the steps contemplated in this restructuring proceeding;
- (d) engaged with employees to address any questions about the NOI proceeding; and
- (e) with the assistance of the Proposal Trustee, continued to assess various restructuring options with a view to developing a viable proposal for the general body of the Company's creditors.

34. To permit the Company to continue operating while it navigates its restructuring options, the Company is seeking an extension of time to file a proposal pursuant to section 50.4(9) of the BIA for a further 46 days up to and including February 18, 2025 (the "**Proposed Stay Period**"). Company's counsel advises me that as the 45-day extension period provided for in the BIA would expire on a statutory holiday (i.e. Family Day), therefore the extension is requested to the business day immediately following that day.

35. The Proposed Stay Period will provide stability to the Business and will permit the Company to continue operating and provide reassurance to the Company's stakeholders.

36. The Proposed Stay Period is critical to providing the Company breathing room to navigate its restructuring options and avoiding the destruction of value that would result from a shut-down of operations. If the Business is forced to shut down, the Company would immediately experience a loss of its customers and market share. The Company would also suffer an irreparable loss in asset value given the Company's ongoing contracts require an operating Business to retain its value.

37. The Company, with the assistance of the Proposal Trustee, has compiled a cash flow projection that will be filed by the Proposal Trustee with its report (the "**Cash Flow Forecast**").

38. The Cash Flow Forecast demonstrates that the Company will have sufficient cash to operate over the Proposed Stay Period with the continued use of TD Bank's Credit Facilities. In the meantime, the Company continues to work with due diligence and in good faith in navigating its restructuring options and implementing a proposal for the benefit of its general body of creditors.

39. I am not aware of any creditors who would be prejudiced by the continuation of these proceedings during the Proposed Stay Period.

B. Ability to Pay Pre-Filing Amounts with Approval of Proposal Trustee

40. The Company relies heavily on suppliers who provide specialized services and materials. These vendors are necessary to the uninterrupted operation of the Business and include, among others, a delivery service, equipment providers, and uniform suppliers. Without these services, the Company could not sustain the Business as these services are required to sustain the Company's key contracts with its customers.

41. Given the unique nature of the Company's operations and their precarious financial position, there are a few vendors who can supply the specific services that the Company requires at reasonable cost and in a timely manner.

42. Due to the Company's cash-flow pressures, the Company has failed to pay its Critical Suppliers prior to the filing of the NOI. On review of these pre-filing arrears with the Proposal Trustee, the Proposal Trustee and Company believe it is necessary to pay pre-filing amounts owed to certain Critical Suppliers to maintain supply notwithstanding the stay of proceedings, which are listed along with the amounts owing in the following table:

Vendor	Arrears Owing
Body Cam AXON	\$34,000
3 rd Party Outsource	\$36,000
Radio Kelcom	\$30,000
Guardian	\$75,000
Unifirst	\$7,000
Ottawa Station Chief	\$80,000
Total	\$262,000

43. Based on the foregoing, the Company is seeking authorization to pay pre-filing amounts to Critical Suppliers with the consent of the Proposal Trustee up to a cumulative maximum amount of \$262,000 plus applicable taxes. As a result, the Company has reflected these payments in its Cash Flow Forecast.

C. Approval of Administration Charge

44. The Company seeks a Court-ordered first-priority Administration Charge over its Property, up to a maximum amount of \$100,000, to secure the fees and disbursements of the Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Company in connection with this NOI proceeding.

45. The Company has relied heavily upon each of the restructuring professionals that are beneficiaries of the proposed Administration Charge during the NOI proceeding. Each of these professionals have contributed, and will continue to contribute, significant value to the advancement of the NOI proceeding and the completion of a successful restructuring.

46. The Administration Charge is necessary to ensure that the Company has the continued expertise, knowledge and participation of the restructuring professionals during the Proposed Stay Period, including to effectively liaise with creditors and to assist in other restructuring initiatives.

47. The Company worked with the Proposal Trustee to estimate the quantum of the Administration Charge. Based on those discussions, the quantum of the Administration Charge is fair and reasonable in the circumstances as it commensurate with the expected complexity of the Company's Business and anticipated restructuring.

48. I swear this affidavit in support of the Company's requested relief.

SWORN REMOTELY BY PETER)
SMIECHOWSKI 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 23rd day of)
December 2024, in accordance with O.)
Reg 431/20, Administering Oath or)
Declaration Remotely.)

Signed by:
Simran Joshi
000B645B9A9E404

A Commissioner for taking Affidavits.
Simran Joshi LSO#89775A

DocuSigned by:
Peter Smiechowski
30CDB7A560E476

PETER SMIECHOWSKI

THIS IS **EXHIBIT "A"** REFERRED TO IN THE
AFFIDAVIT OF **PETER SMIECHOWSKI** SWORN REMOTELY BY **PETER SMIECHOWSKI**
STATED AS BEING LOCATED IN THE CITY OF TORONTO IN THE PROVINCE OF
ONTARIO THIS 23RD DAY OF DECEMBER, 2024

Signed by:

Simran Joshi

0D0B645B8A8E494

A COMMISSIONER FOR TAKING AFFIDAVITS
SIMRAN JOSHI



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-3162387
Estate No. 31-3162387

In the Matter of the Notice of Intention to make a proposal of:

Cancom Security Inc.

Insolvent Person

DODICK LANDAU INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

December 05, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: December 05, 2024, 13:46

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

THIS IS **EXHIBIT "B"** REFERRED TO IN THE
AFFIDAVIT OF **PETER SMIECHOWSKI** SWORN REMOTELY BY **PETER SMIECHOWSKI**
STATED AS BEING LOCATED IN THE CITY OF TORONTO IN THE PROVINCE OF
ONTARIO THIS 23RD DAY OF DECEMBER, 2024

Signed by:

Simran Joshi

0D0B645B9A9E494...

A COMMISSIONER FOR TAKING AFFIDAVITS
SIMRAN JOSHI




Government
of Canada

Gouvernement
du Canada

[Canada.ca](#) → [Innovation, Science and Economic Development Canada](#)

→ [Search for a Federal Corporation](#)

Federal Corporation Information - 695811-7

 Beware of scams and other suspicious activities. See [Corporations Canada's alerts](#).

Note

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

[Order copies of corporate documents](#)

Corporation Number

695811-7

Business Number (BN)

807979216RC0001

Corporate Name

Cancom Security Inc.

Status


Active

Governing Legislation

Canada Business Corporations Act - 2008-04-15

[Order a Corporate Profile PDF Readers](#)

-->

[Find existing extra-provincial registrations of this corporation on Canada's Business registries](#) 

Registered Office Address

1183 Finch Ave West
Suit # 205
Toronto ON M3J 2G2
Canada

i Note

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

Directors

Minimum 1

Maximum 4

Ronald Keith Jr. Wells
1183 Finch Avenue West
Suite 205
Toronto ON M3J 2G2
Canada

i Note

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

Individuals with significant control

Current individuals with significant control: 1

Ronald Keith Jr Wells

1183 Finch Avenue West

suite 205

Toronto ON M3J 2G2

Canada

Type of interest or control:

Owns, controls or directs 25% or more of shares

This individual holds the shares:

Directly

This individual is an individual with significant control over the corporation:

Individually

This individual holds:

More than 75% of the shares

Start date (YYYY-MM-DD):

2008-04-15

***i* Note**

Active CBCA corporations are required to update this information annually (with their annual return) and within 15 days of a change in their ISC register via the [Online Filing Centre](#). A corporation key is required. If you are not authorized to update this information, you can contact either the corporation or Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings

Anniversary Date (MM-DD)

04-15

Date of Last Annual Meeting

2024-05-02

Annual Filing Period (MM-DD)

04-15 to 06-14

Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

Status of Annual Filings

2024 - Filed

2023 - Filed

2022 - Filed

Corporate History

Corporate Name History

2008-04-15 to Present

Cancom Security Inc.

Certificates and Filings

Certificate of Incorporation

2008-04-15

Certificate of Amendment *

2008-05-22

Amendment details: Number of directors

Certificate of Amendment *

2008-10-30

Amendment details: Other

* Amendment details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed. For more information, [contact Corporations Canada](#).

[Order copies of corporate documents](#)

Start New Search

Date Modified:

2024-11-04

THIS IS **EXHIBIT "C"** REFERRED TO IN THE
AFFIDAVIT OF **PETER SMIECHOWSKI** SWORN REMOTELY BY **PETER SMIECHOWSKI**
STATED AS BEING LOCATED IN THE CITY OF TORONTO IN THE PROVINCE OF
ONTARIO THIS 23RD DAY OF DECEMBER, 2024

Signed by:

Simran Joshi

000B645B9A0E404

A COMMISSIONER FOR TAKING AFFIDAVITS
SIMRAN JOSHI



Midtown Commercial Banking Centre
2 St Clair Ave E Suite 500
Toronto, ON, M4T 2V4
Telephone No.: (416) 308 3648
Fax No.: (416) 975 1546

March 21, 2024

CANCOM SECURITY INC.

1183 FINCH AVE W,
SUITE 205, NORTH YORK, M3J 2G2

Attention: MR. RONALD K WELLS

Dear Mr. Ronald,

We refer to the Letter of Agreement date May 17, 2022, as amended from time to time, (the "Agreement") signed by you in relation to the credit facility (the "Facility") granted to you by the Bank.

One of your obligations under the Agreement include the following REPORTING COVENANT (the "Obligation").

1. Annual notice to reader financial statements for CANCOM SECURITY INC. within 120 calendar days of fiscal year end.

For the Financial Year Ended at April 30, 2023, you are in default of the Obligation as finalized notice to reader financial statements were received late by the Bank. We wish to remind you that you are required to comply with this Obligation and with all other terms and conditions of the Agreement at all times.

One of your obligations under the Agreement include the following FINANCIAL COVENANT (the "Obligation").

2. The Borrower agrees at all times to: maintain a Debt Service Coverage ratio (DSC) of not less than 120% to be maintained at all times.

The DSC is calculated as follows:

(Earnings before Interest, Taxes, Depreciation, and Amortization - Capital Expenditures - Dividends / (Principal + Interest)

For the Financial Year Ended at April 30, 2023, the DSC is -14.81% and therefore, you are not in compliance with the Obligation. We wish to remind you that you are required to comply with this Obligation and with all of the terms and conditions of the Agreement at all times.

One of your obligations under the Agreement include the following FINANCIAL COVENANT (the "Obligation").

3. The Borrower agrees at all times to: Ensure outstanding advances under Facility #1 (Operating line CDN\$1,750,000), including the face amount of any outstanding undrawn L/Cs, L/Gs, unmatured B/As, LIBOR Loans will be at all times the lesser of:

- (a) CDN\$1,750,000 and,
- (b) the total of:

Internal

(i) 75% of the Receivable Value less accounts receivable over 90 days, related accounts, contra accounts and Priority Claims.

For the Month of August 2023, October 2023, December 2023 and January 2024, you are not in compliance with the Obligation. We wish to remind you that you are required to comply with this Obligation and with all of the terms and conditions of the Agreement at all times.

You are in default of these Obligations and the Bank does not waive compliance with this Obligations.

Please be advised that the Bank preserves all rights and remedies under any and all agreements and security provided in connection with the Facility. If you fail to rectify the default to the complete satisfaction of the Bank, the Bank will exercise any or all rights and remedies under such agreements and security, and/or such rights and remedies as may otherwise be available to it at law.


If you have any queries or comments, please do not hesitate to contact the writer.

Yours truly,

THE TORONTO-DOMINION BANK



Lawrence Lay
Relationship Manager



Jill Lamothe
Senior Manager, Commercial Credit

THIS IS **EXHIBIT "D"** REFERRED TO IN THE
AFFIDAVIT OF **PETER SMIECHOWSKI** SWORN REMOTELY BY **PETER SMIECHOWSKI**
STATED AS BEING LOCATED IN THE CITY OF TORONTO IN THE PROVINCE OF
ONTARIO THIS 23RD DAY OF DECEMBER, 2024

Signed by:

Simran Joshi

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A COMMISSIONER FOR TAKING AFFIDAVITS
SIMRAN JOSHI



Financial Restructuring Group
3140 Dufferin St.
Toronto, ON
M6A 2T1

Telephone No.: 416-785-5147
Fax No.: 416-785-5082

May 21, 2024

CANCOM SECURITY INC.
1183 Finch Ave W, Unit 205
North York, ON M3J 2G2

Attention: Ronald Keith Wells Jr.

Dear Mr. Wells,

We refer to the Letter Agreement dated March 7, 2024, as amended from time to time (the "Agreement"), signed by you in relation to the credit facility (the "Facility") granted to you by The Toronto-Dominion Bank (the "Bank").

Under the obligations of the Agreement, the Borrower has agreed to:

1. At all times ensure outstanding advances under Facility #1 (Operating Line CDN\$1,750,000), including the face amount of any outstanding undrawn L/Cs, L/Gs, unmatured B/As, LIBOR Loans will be at all times the lesser of:
 - a. i) CAD\$1,750,000, AND
 - b. ii) the TOTAL of 75% of the Receivable Value less accounts receivable over 90 days, related accounts, contra accounts and Priority Claims.

The February, 2024 BBC reporting reflected a shortfall of \$918,000 and the March, 2024 BBC reporting reflected a shortfall of \$745,000.

You are in default of the above Obligations and the Bank does not waive compliance with the Obligations.

A Borrowing Base Default Fee of \$500 will be charged.

Please be advised that the Bank preserves all rights and remedies under any and all agreements and security provided in connection with the Facility. If you fail to rectify the default to the complete satisfaction of the Bank, the Bank will exercise any or all rights and remedies under such agreements and security, and/or such rights and remedies as may otherwise be available to it at law.

If you have any queries or comments, please do not hesitate to contact the undersigned.

Yours truly,

THE TORONTO-DOMINION BANK

Amanda Bezner

Amanda Bezner
Account Manager

Peter Hanke

Peter Hanke
Manager Commercial Credit

THIS IS **EXHIBIT "E"** REFERRED TO IN THE
AFFIDAVIT OF **PETER SMIECHOWSKI** SWORN REMOTELY BY **PETER SMIECHOWSKI**
STATED AS BEING LOCATED IN THE CITY OF TORONTO IN THE PROVINCE OF
ONTARIO THIS 23RD DAY OF DECEMBER, 2024

Signed by:

Simran Joshi

A COMMISSIONER FOR TAKING AFFIDAVITS
SIMRAN JOSHI



Kyle Plunkett
 Direct: 416.865.3406
 E-mail: kplunkett@airdberlis.com

July 23, 2024

**DELIVERED VIA COURIER
 AND VIA EMAIL ronald.wells@cancomsecurity.com**

Cancom Security Inc.
 1183 Finch Ave. West, Suite 205
 Toronto, ON M3J 2G2

Attn: Ronald Keith Wells Jr.

Dear Sir:

Re: The Toronto-Dominion Bank (“TD” or “Lender”) loans to Cancom Security Inc. (the “Debtor”), as guaranteed by each of Ronald Keith Wells Jr. and Ronald Keith Wells Sr.

We are the lawyers for TD in connection with its lending arrangements with the Debtor.

The Debtor is indebted to TD with respect to certain credit facilities or extensions credit (collectively, the “**Credit Facilities**”) made available by TD to the Debtor pursuant to and under the terms of a Letter of Agreement dated March 7, 2024 (as amended, replaced, restated or supplemented from time to time, the “**Loan Agreement**”).

The following amounts are owing by the Debtor to TD for principal and interest pursuant to the Loan Agreement as of July 22, 2024:

	Principal	Interest	Total
Operating Line	\$1,000,000.00	\$6,810.91	\$1,006,810.91
Outstanding VISA Cards	\$47,737.49	-	\$47,737.49
Outstanding Line of Credit	\$292,416.99	-	\$292,416.99
			\$1,346,965.39¹

Certain of the Credit Facilities are repayable on demand. The Debtor is in default of its obligations under the Loan Agreement, which include, but are not limited to:

- (a) the Debtor failing to comply with the Financial Covenant that outstanding advances under the Credit Facilities be, at all times, the lesser of: (i) \$1,750,000 and (ii) the total of 75% of the Receivable Value (as defined in the Loan Agreement) less accounts receivable over

¹ This amount does not include any accruing interest from and after July 22, 2024, or costs and expenses (including any legal and other professional fees) incurred by TD.

90 days, related accounts, contra accounts and Priority Claims (as defined in the Loan Agreement); and

(b) the Debtor failing to keep current on its priority payables owing to Canada Revenue Agency.

Accordingly, on behalf of TD, we hereby make formal demand for payment of **\$1,346,965.39** together with accruing interest and any and all costs and expenses (including, without limitation, any legal and other professional fees) incurred by TD (collectively, the "**Indebtedness**"). Payment is required to be made immediately. Interest continues to accrue on the Indebtedness at the rates established by the Loan Agreement and any other agreement, as applicable.

The Indebtedness and other obligations of the Debtor in connection with the Credit Facilities under the Loan Agreement are secured by, among other things, a general security agreement dated July 4, 2019 from the Debtor, which grants to TD, among other things, a security interest in all of the Debtor's present and after-acquired personal property.

If payment of the Indebtedness is not received immediately, TD shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing to it, including, without limitation, the appointment of an interim receiver, receiver, or receiver and manager of the Debtor or any other proceedings that are necessary, in which case TD will also seek all costs it incurs in doing so.

On behalf of TD, we also enclose a Notice of Intention to Enforce Security, which is delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). TD hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

Yours truly,

AIRD & BERLIS LLP



Kyle Plunkett
e.c. Client
Matilda Lici

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))
DELIVERED BY COURIER AND EMAIL

To: **Cancom Security Inc.**
1183 Finch Ave. West, Suite 205
Toronto, ON M3J 2G2
Insolvent company / person

TAKE NOTICE that:

1. The Toronto-Dominion Bank (“**TD**”), a secured creditor, intends to enforce its security on the property, assets and undertakings of Cancom Security Inc. (the “**Debtor**”), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal and real property of the Debtor.
2. The security that is to be enforced (the “**Security**”) is in the form of, *inter alia*, a general security agreement dated July 4, 2019 from the Debtor, which grants to TD, among other things, a first-ranking security interest in all of the Debtor’s present and after-acquired personal property.
3. As of July 22, 2024, the total amount of indebtedness secured by the Security is **\$1,346,965.39** in principal and interest, plus accruing interest and costs of TD (including, without limitation, TD’s legal and other professional fees).
4. TD will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 23rd day of July 2024.

THE TORONTO-DOMINION BANK
by its lawyers, **Aird & Berlis LLP**

Per: 

Kyle Plunkett

Brookfield Place, Suite 1800
181 Bay Street, Toronto, ON M5J 2T9
Tel: 416-863-1500/Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

THIS IS **EXHIBIT "F"** REFERRED TO IN THE
AFFIDAVIT OF **PETER SMIECHOWSKI** SWORN REMOTELY BY **PETER SMIECHOWSKI**
STATED AS BEING LOCATED IN THE CITY OF TORONTO IN THE PROVINCE OF
ONTARIO THIS 23RD DAY OF DECEMBER, 2024

Signed by:

Simran Joshi

0D0B645B9A9E434...

A COMMISSIONER FOR TAKING AFFIDAVITS
SIMRAN JOSHI

FORBEARANCE AGREEMENT

THIS AGREEMENT is made as of this 18th day of September, 2024.

A M O N G S T:

THE TORONTO-DOMINION BANK
(hereinafter referred to as the “**Lender**”)

- and -

CANCOM SECURITY INC.
(hereinafter referred to as the “**Borrower**”)

- and -

RONALD KEITH WELLS JR. AND RONALD KEITH WELLS SR.
(each a “**Guarantor**” and collectively, the “**Guarantors**”, and together with the Borrower, the “**Credit Parties**” and each a “**Credit Party**”)

RECITALS:

WHEREAS the Borrower is indebted to the Lender with respect to certain credit facilities or extensions credit (collectively, the “**Credit Facilities**”) made available by the Lender pursuant to and under the terms of a Letter of Agreement between the Borrower and the Lender dated March 7, 2024 (as same may have been further amended, replaced, restated or supplemented from time to time, the “**Credit Agreement**”);

AND WHEREAS the Borrower’s obligations to the Lender under the Credit Agreement have been secured and guaranteed, as the case may be, by the Credit Parties pursuant to, among other things, the documents more particularly set out in **Schedule "A"** hereto (collectively, as amended, restated, supplemented, replaced or otherwise altered from time to time, the “**Security**”);

AND WHEREAS certain of the Credit Facilities are repayable on demand;

AND WHEREAS certain events of default have occurred, and are continuing, pursuant to the Credit Agreement, including, but not limited to, (i) failing to deliver the Annual Notice to Reader Statements for fiscal year 2023 within 90 calendar days of fiscal year end, (ii) failing to operate within the authorized credit limits, and (iii) failing to keep current the priority payables owing to Canada Revenue Agency (any and all such defaults as may be existing and known to the Lender as of the date hereof being referred to as the “**Existing Defaults**”);

AND WHEREAS the Existing Defaults entitled the Lender to issue demand for immediate repayment of the Credit Facilities owing by the Borrower;

AND WHEREAS on July 23, 2024, the Lender made written demand on the Borrower and the Guarantors for repayment of the indebtedness under the Credit Agreement (collectively referred to as the “**Demands**”), and on the same date, delivered a notice of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”);

AND WHEREAS as of September 5, 2024, the total amount of the indebtedness owing by the Borrower under the Credit Agreement and secured by the Security was \$2,005,276.05 in principal and interest, exclusive of amounts which are or become owing for the Lender’s costs, professional and legal fees, and accruing interest at the rates set out in the Financing Agreements (collectively the “**Indebtedness**”);

AND WHEREAS as of the date hereof, the Credit Parties acknowledge and agree that they have failed to repay the Indebtedness, however, have agreed to take steps to repay the amounts owed under the Credit Agreement;

AND WHEREAS the Credit Parties have requested that the Lender agree to forbear from taking further action to enforce the Security in respect of the Indebtedness owing pursuant to the Credit Facilities, subject to the terms, conditions and some limitations as specified in this Agreement, until the end of the Forbearance Period (as defined herein), unless the Forbearance Period is extended by written agreement;

NOW THEREFORE, in consideration of the respective covenants of the parties hereto as herein contained, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, all terms defined in the Credit Agreement, but not otherwise defined herein, shall have the respective meanings ascribed to them in the Credit Agreement. All monetary amounts referred to in this Agreement shall refer to Canadian currency. In addition to the terms defined in the preamble and recitals to this Agreement above, the following capitalized terms used in this Agreement have the meanings set out below:

- (a) “**Business Day**” means any day except Saturday, Sunday or any other day on which commercial banks located in Toronto, Ontario are authorized or required by Law to be closed for business.
- (b) “**Financing Agreements**” means, collectively, the Credit Agreement, this Agreement, the Security, or any other agreement, document or instrument executed by one or more of the Credit Parties in connection therewith, all as amended, restated, supplemented, replaced or otherwise altered from time to time.

- (c) “**Forbearance Fee**” has the meaning given to such term in Section 4.4 of this Agreement.
- (d) “**PPSA**” means the *Personal Property Security Act* (Ontario) and all regulations made thereunder, as amended from time to time, and any other applicable legislation governing security interests in personal property.

1.2 Gender and Number

Words importing the singular include the plural and vice versa and words importing gender include all genders.

1.3 Severability

Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.

1.4 Headings

The division of this Agreement into articles, sections and clauses, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Entire Agreement

Except for the Financing Agreements and the additional documents provided for herein, this Agreement constitutes the entire agreement of the parties and supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, relating to the subject matter hereof. This Agreement may not be amended or modified except by written consent executed by all the parties. No provision of this Agreement will be deemed waived by any course of conduct unless such waiver is in writing and signed by all the parties, specifically stating that it is intended to modify this Agreement.

1.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to any conflicts of law or principles of comity.

1.7 Attornment

Each party hereto irrevocably attorns to the exclusive jurisdiction of the Superior Court of Justice (Commercial List) of the Province of Ontario in the City of Toronto for all matters arising out of or in connection with this Agreement.

1.8 Conflicts

If there is any inconsistency or conflict between the terms of this Agreement and the terms of the Financing Agreements or any other agreement executed in connection therewith, the provisions of this Agreement shall prevail to the extent of the inconsistency, but the foregoing shall not apply to limit or restrict in any way the rights and remedies of the Lender under the Financing Agreements or this Agreement other than as may be specifically contemplated herein.

ARTICLE 2 ACKNOWLEDGEMENT AND CONFIRMATION

2.1 Acknowledgement of Recitals

Each of the Credit Parties acknowledges that each of the recitals above is true and correct in all respects and forms part of this Agreement.

2.2 Acknowledgement of Obligations

- (a) Each of the Credit Parties hereby acknowledges, confirms and agrees that, as of September 17, 2024, the amount owing for principal and interest under the Credit Facilities pursuant to the Credit Agreement, which is exclusive of amounts accruing for subsequent interest or for fees owing to the Lenders (including but not limited to legal and advisory fees) or due under this Agreement (collectively, the “**Indebtedness**”) as follows:

CAD Facilities	Principal	Interest	Total (CAD)
Demand Operating Facility¹	\$1,625,000.00	\$5,765.15	\$1,630,756.15
Business VISA Facility	\$47,021.00	-	\$47,021.00
O/S Letter of Credit	\$292,416.99	-	\$292,416.99
TOTAL			\$1,970,194.14

- (b) Each of the Credit Parties hereby acknowledges, confirms and agrees that the Borrower will continue to accept statements of the Indebtedness issued by the

¹ The demand operating line continues to revolve and, accordingly, balance fluctuates daily.

Lender to be accurate statements of the amount and the particulars of the Indebtedness as of the date of the statement, absent manifest error.

- (c) Each of the Credit Parties hereby acknowledges, confirms and agrees that the Lender has not withdrawn the Demands.

2.3 Acknowledgement of Security Interests and Guarantees

- (a) Each of the Credit Parties hereby acknowledges, confirms and agrees that the Security has not been discharged, waived or varied, that it is binding upon the Credit Parties and that the Security is enforceable in accordance with its written terms until such time as the obligations of the Credit Parties to the Lender have been indefeasibly paid and satisfied in full, and that neither the execution of this Agreement nor any change to the Indebtedness occasioned hereby, or any other matter arising here from, shall in any way affect the continuing effectiveness or validity of the Security.

2.4 Acknowledgement of Certain Events of Default

- (a) The Borrower hereby acknowledges, confirms and agrees that the Existing Defaults have occurred and are continuing pursuant to the provisions of the Financing Agreements.
- (b) Each of the Credit Parties further acknowledges, confirms and agrees that, as of the date hereof, the Lender has made no promises and has not waived, and does not intend to waive such Existing Defaults, and nothing contained herein or the transactions contemplated hereby shall be deemed to constitute any such waiver.

2.5 Acknowledgement of Demands and Notice of Intention to Enforce Security

Each of the Credit Parties hereby acknowledges, confirms and agrees that each of the Credit Parties has, prior to the execution and delivery of this Agreement, received from the Lender the validly issued and delivered Demands. The Credit Parties further acknowledge, confirm and agree that the Credit Parties have, prior to the date of this Agreement, received from the Lender a validly issued and delivered Notice of Intention to Enforce Security (collectively, the “**Notice**”) pursuant to section 244(1) of the BIA in respect of the Security, the ten (10) day notice period required to enforce any security interest required pursuant to section 244(1) of the BIA in respect of the Security has expired, and, subject only to the terms of this Agreement, there are no further steps required by the Lender in order to enforce the Security. Each of the Credit Parties further acknowledges that nothing in this Agreement shall constitute a waiver or revocation of the Demands or the Notice.

2.6 Additional Acknowledgements

Each of the Credit Parties hereby acknowledges, confirms and agrees that:

- (a) except as hereby amended, the Financing Agreements will remain in full force and effect, unamended, except as provided for herein;
- (b) except as provided for in this Agreement including, without limitation in Section 4.1, the Lender (either by itself or through its employees or agents) has made no promises, nor has it taken any action or omitted to take any action, that would constitute a waiver of its rights to enforce the Security and pursue its remedies in respect of the obligations of the Borrower to the Lender, or that would stop it from doing so; and
- (c) except as otherwise specified in this Agreement, the Lender is entitled to exercise its rights and remedies under the Credit Agreement, the Security, the Guarantees, the PPSA and other applicable law.

ARTICLE 3 CONDITIONS PRECEDENT

3.1 Conditions Precedent to the Effectiveness of this Agreement

The forbearance obligations of the Lender under this Agreement shall not be effective unless and until the Lender shall be in receipt of each of the following, all in form and substance satisfactory to the Lender:

- (a) a copy of this Agreement, fully executed by all of the Credit Parties;
- (b) the Forbearance Fee (as defined in Section 4.4 below) from the Borrower; and
- (c) copies of the Canada Revenue Agency (“**CRA**”) statement of accounts evidencing the current HST and source deduction arrears, respectively.

ARTICLE 4 FORBEARANCE CONDITIONS

4.1 Forbearance

In reliance upon the acknowledgements, representations, warranties and covenants of the Credit Parties contained in this Agreement and subject to the terms and conditions of this Agreement, and any documents executed in connection herewith, the Lender agrees that, the Lender shall forbear from exercising any other rights and remedies under the Financing Agreements, the PPSA and other applicable law, until the earlier of:

- (a) December 13, 2024; and

- (b) the occurrence of an Intervening Event (as hereinafter defined and pursuant to Section 8.1 of this Agreement),

(the “**Forbearance Period**”). The Forbearance Period may be extended provided the parties enter into a written extension agreement in a form satisfactory to all parties on or before the end of the Forbearance Period.

4.2 Expiration or Termination of the Forbearance Period

- (a) The Borrower agrees that, on or before the end of the Forbearance Period, the Borrower shall obtain alternate financing to permit it to indefeasibly pay the Indebtedness owing to the Lender under the Credit Agreement, including the Forbearance Fee and all costs and expenses of the Lender.
- (b) The Lender is under no obligation to extend the Forbearance Period or to continue to provide financial accommodations to the Borrower beyond the expiry of the initial Forbearance Period contemplated hereby.
- (c) Upon the expiration or termination of the Forbearance Period, the agreement of the Lender to forbear shall automatically and without further action terminate and be of no further force and effect, it being expressly agreed that the effect of such expiration or termination will be to permit the Lender to exercise its rights and remedies under the Financing Agreements and any other agreement or documents executed in connection with this Agreement immediately, including, without limitation: (i) the exercise of all remedies available pursuant to the Financing Agreements; (ii) the acceleration of all the obligations of the Borrower to the Lender without any further notice, passage of time or forbearance of any kind; (iii) the appointment of a private or court-appointed receiver (at the Lender’s option) under the Security; and (iv) the making of an application to a court of competent jurisdiction to enforce any private or other remedies available to the Lender, or to seek the appointment by such court of a trustee in bankruptcy of any of the Credit Parties.

4.3 Tolling

- (a) As of the date hereof and continuing until the expiration or termination of the Forbearance Period, as applicable, and thereafter until the termination of the tolling arrangements in the manner provided for at paragraph 4.3(b) herein, the Lender and the Credit Parties hereby agree to toll and suspend the running of the applicable statutes of limitations, laches and other doctrines related to the passage of time in relation to the Indebtedness, the Security, the Guarantees and any entitlements arising from the Indebtedness, the Guarantees or the Security and any other related matters, and each of the parties confirms that this Agreement is intended to be an agreement to suspend or extend the basic limitation period, provided by section 4 of the *Limitations Act, 2002*, S.O. 2002, c. 24, Sched. B (the “**Limitations Act**”) as well as the ultimate limitation period provided by section 15 of the *Limitations Act*

in accordance with the provisions of sections 22(3) and 22(4) of the Limitations Act and as a business agreement in accordance with the provisions of section 22(5) of the Limitations Act and any contractual time limitations on the commencement of proceedings, any claims or defences based upon such application statute of limitations, contractual limitations or any time related doctrine including waiver, estoppel or laches.

- (b) The tolling provisions of this Agreement will terminate upon either of its parties providing the other with 60 days' written notice of an intention to terminate the tolling provisions hereof, and upon the expiry of such 60 days' notice, any time provided for under the statute of limitations, laches or any other doctrine related to the passage of time in relation to the Indebtedness, the Security or any claims arising thereunder, will recommence running as of such date, and for greater certainty the time during which the parties agree to the suspension of the limitation period pursuant to the tolling provisions of this Agreement shall not be included in the computation of any limitation period.

4.4 Forbearance Fee

In consideration of the Lender entering into this Agreement, the Borrower shall pay to the Lender a forbearance fee of \$25,000 (the "**Forbearance Fee**"), which fee is fully earned and payable upon execution by the Credit Parties of this Agreement, and which will be added to the balance of the Indebtedness upon the execution of this Agreement, if unpaid, and shall form part of the Indebtedness and shall be secured by any and all of the Remaining Security.

4.5 Payment of Professional Fees

The Borrower hereby covenants and agrees with the Lender to reimburse the Lender for all reasonable expenses, including, without limitation, actual legal and other professional expenses that the Lender has incurred or will incur arising out of its dealings with any of the Credit Parties and in the protection, preservation and enforcement of the Security, including, without limitation, the actual fees and expenses of the Lender's counsel, Aird & Berlis LLP, and any other professionals retained by the Lender (collectively, the "**Professional Expenses**"), and that the Professional Expenses shall be for the account of the Borrower and shall be paid by the Borrower upon delivery to the Borrower of invoices evidencing the Professional Expenses, or payment will otherwise be made by the Lender for later repayment by the Borrower by no later than the expiration or termination of the Forbearance Period. Nothing in this Agreement shall derogate from the Borrower's obligation to pay for all the Professional Expenses or shall constitute a cap on Professional Expenses.

4.6 No Other Waivers; Reservation of Rights

Subject to Section 4.1 of this Agreement, the Lender reserves the right, in its sole and absolute discretion, to exercise any or all of its rights or remedies under any one or more of the Financing Agreements, the PPSA or other applicable law, and the Lender has not waived any such rights or remedies, and nothing in this Agreement and no delay on the part of the Lender in

exercising any such rights or remedies, shall be construed as a waiver of any such rights or remedies.

ARTICLE 5 INTEREST RATE

5.1 Increased Interest Rate

Commencing on the date that all of the conditions to effectiveness set out in Section 3.1 are met, all principal amounts outstanding under Facility 1 of the Credit Agreement shall bear interest at the Prime Rate (as defined in the Credit Agreement) + 3.500% per annum.

ARTICLE 6 REPORTING

6.1 Reporting Requirements

During the Forbearance Period, the Borrower agrees to continue to honour the reporting requirements as previously agreed with the Lender in the Credit Agreement, or as amended herein, and shall continue to do so until such time as the obligations of the Borrower to the Lender have been indefeasibly repaid in full. Without limiting the generality of the foregoing, the Credit Parties, shall provide the Lender with the following additional reporting or information, independently of any other reporting obligations until written notice from the Lender that it is no longer required:

- (a) by no later than September 30, 2024, the Borrower shall provide to the Lender evidence of a payment plan entered into with CRA in respect of accrued obligations payable in priority to the obligations owed to the Lender (“**Priority Payables**”), including wages and remittances required to be made for taxes and other liabilities owed to federal, provincial and municipal governments, including, without limitation, property taxes and money owed in respect of employee source deductions pursuant to the *Canada Pension Plan Act* (Canada), *Employment Insurance Act* (Canada) and *Income Tax Act* (Canada) (the “**ITA**”), and in respect of HST. Any request by the Borrower to extend the time by which to deliver to the Lender evidence of a payment plan in respect of the Priority Payables shall be accompanied and supported by evidence of correspondence between the Credit Parties and CRA in respect of the payment plan;
- (b) by no later than close of business on September 24, 2024, the Borrower shall deliver details of the account it maintains at Royal Bank of Canada (“**RBC**”) together with copies of account summaries since the account was opened;
- (c) by no later than October 15, 2024, the Borrower shall provide to the Lender a term sheet or letter of intent from a third-party lender in an amount sufficient to fully repay the Indebtedness owing to the Lender; and

- (d) by no later than November 30, 2024, the Borrower shall provide to the Lender a firm commitment letter or definitive loan agreement from a third-party lender evidencing sufficient committed funds to fully repay the Indebtedness owing to the Lender, on terms satisfactory to the Lender.

ARTICLE 7

OBLIGATIONS OF THE BORROWER DURING THE FORBEARANCE PERIOD

7.1 Financing Agreements

During the Forbearance Period, the Credit Parties shall strictly adhere to all the terms, conditions and covenants of the Credit Agreement, this Agreement and the other Financing Agreements, except to the extent that such terms, conditions and covenants are otherwise specifically amended by this Agreement.

7.2 Full Co-Operation

During the Forbearance Period, the Credit Parties shall cooperate fully with the Lender and with any Lender advisor, if retained, by promptly providing all the information requested by the Lender and any advisor, and by providing to the Lender, and any advisor, full access to the books, records, property assets and personnel of the Credit Parties wherever they may be situated and in whatever medium they may be recorded, at the request of and at times convenient to the Lender and its advisors, which right of access shall include the right to inspect and appraise any property and assets of the Borrower.

7.3 Operational Obligations

For the duration of the Forbearance Period, in addition to the other covenants contained herein, each of the Credit Parties hereby covenants and agrees with the Lender as follows:

- (a) the Borrower shall not maintain any bank accounts with any institution other than the Lender, except for account currently held with RBC, which accounts shall not be used for the Borrower's operations;
- (b) the Borrower shall make all deposits and direct all receipts to its bank accounts maintained with the Lender;
- (c) the Borrower shall maintain its corporate existence as a valid and subsisting entity and shall not merge, amalgamate or consolidate with any other corporation(s), except with the Lender's prior written consent;
- (d) except as specifically provided for in this Agreement including, without limitation Section 4.1, each of the Credit Parties shall comply in all respects with all terms and provisions of the Financing Agreements and nothing herein derogates therefrom;

- (e) each of the Credit Parties shall comply with any and all cash management obligations and obligations to maintain insurance in accordance with the Financing Agreements;
- (f) the Borrower shall not, without the prior written consent of the Lender, make any distribution or payment to any secured or unsecured creditor subordinate in interest to the Lender, including but not limited to any payments or distributions of dividends, interest or other payments to preferred shareholders, management fees, administration fees or charges, corporation or other entity who does not deal with the Borrower at arm's length (as such term is determined in the ITA, except for payments to the Borrower's contractors and suppliers in respect of any supply arrangement with the Borrower arising in the ordinary course of the Borrower's business, which are commercially reasonable and are competitive with payments that would be required to be paid to a comparable contractor or supplier acting at arm's length);
- (g) the Borrower shall not, without the prior written consent of the Lender, make any loans or advance money or property to any other party (including, without limitation, any subsidiary or affiliate of the Borrower) or invest in (by capital contribution, dividend or otherwise) or purchase or repurchase the shares or indebtedness or all or a substantial part of the assets or property of any other party (including, without limitation, any subsidiary or affiliate of the Borrower), or guarantee, assume, endorse, or otherwise become responsible (directly or indirectly) for the indebtedness, performance, obligations or dividends of any other party (including, without limitation, any subsidiary or affiliate of the Borrower) or agree to do any of the foregoing, other than as required by the Financing Agreements;
- (h) the Borrower shall not, without the prior written consent of the Lender which may be unreasonably withheld or delayed, repay any principal or interest which may be owing or become owing in connection with any shareholder or related party loan or any loan made by any party subordinate to the Lender;
- (i) the Borrower shall not, without the prior written consent of the Lender, make any distribution (whether by dividend or otherwise) or effect any return of capital on any investment made by any shareholder, or any party related to any shareholder, of the Borrower;
- (j) during the pendency of the Forbearance Period, the Borrower shall keep current at all times all Priority Payables;
- (k) each of the Credit Parties shall take all steps required to cure any deficiencies, if any, in the Security;
- (l) the Borrower shall give to the Lender prompt notice of any litigation, arbitration or administrative proceeding before or of any court, arbitration, tribunal or

governmental authority adversely and materially affecting any of the assets, property or undertakings of the Credit Parties; and

- (m) unless otherwise agreed to herein, the Credit Parties shall not do any act or thing which may have the effect of defeating or delaying the enforcement of the Lender's rights and remedies under any of the Security.

ARTICLE 8 INTERVENING EVENTS

8.1 Intervening Events

Upon the happening of any one of the following events from and after the date of this Agreement (each an "**Intervening Event**"), this Agreement shall forthwith terminate at the option of the Lender:

- (a) in the Lender's sole opinion, a material adverse change occurs in the business, affairs, financial condition, operation or ownership of the Borrower arising for any reason whatsoever;
- (b) any representation, warranty or statement made by any of the Credit Parties in this Agreement or any other agreement with the Lender was untrue or incorrect when made or becomes untrue or incorrect in any material respect;
- (c) any of the Credit Parties defaults in the performance of any obligation under any of the Financing Agreements after the date hereof other than any of the Existing Defaults;
- (d) the occurrence of any other event which, in the opinion of the Lender, acting reasonably, may materially and adversely impact the priority or enforceability of the Security granted by the Credit Parties, or the realizable value of the collateral subject to such Security;
- (e) the Security ceases to constitute a first-ranking valid and perfected security interest against all assets of each of the Credit Parties, as applicable;
- (f) the loss, damage, destruction or confiscation of the Security or any part thereof, unless upon such event, the Credit Parties pay to the Lender forthwith such amount as the Lender, acting reasonably, determines is satisfactory;
- (g) any person takes possession of any property of any of the Credit Parties by way of or in contemplation of enforcement of security, or a distress or execution or similar process levied or enforced against any property of any of the Credit Parties;
- (h) any change of control in the ownership, or management of any of the Credit Parties, as applicable, without the Lender's prior written consent;

- (i) without the Lender's prior written consent, any of the Credit Parties ceases to carry on business in the normal course in the same manner as such business has previously been carried on or as specifically amended by this Agreement or commits or threatens to commit an act of bankruptcy;
- (j) without the prior written consent of the Lender, any action or proceeding is taken or commenced by another person or persons against any of the Credit Parties, which the Credit Parties are not contesting, relating to the reorganization, readjustment, compromise or settlement of the debts owed by any of the Credit Parties to its creditors where such reorganization, readjustment, compromise or settlement shall affect a substantial portion of any of the Credit Parties' assets and property, including, without limitation, the filing of a Notice of Intention to Make a Proposal under the BIA, the making of an order under the *Companies' Creditors Arrangement Act* (Canada) or the commencement of any similar action or proceeding by any party other than the Lender;
- (k) the filing of an application for a bankruptcy order against any of the Credit Parties pursuant to the provisions of the BIA by any party other than the Lender;
- (l) any of the Credit Parties fails to meet its payroll obligations or does not have sufficient funds available to fund its payroll obligations;
- (m) the Borrower fails to pay the Forbearance Fee in accordance with Section 4.4 of this Agreement;
- (n) any of the Credit Parties fails to make one or more of the payments, in full or in part, in accordance with the Financing Agreements, as amended only by this Agreement and which become due and payable after the date hereof;
- (o) the Borrower fails to meet one or more of the reporting requirements required to be met after the date hereof in accordance with Section 6.1 of this Agreement and not cured within 7 days after written notice; or
- (p) the expiration or termination of the Forbearance Period, unless extended by the agreement of the parties.

ARTICLE 9 GENERAL PROVISIONS

9.1 Effect of this Agreement

Except as modified pursuant hereto, no other changes or modifications to the terms of the Financing Agreements are intended or implied and in all other respects, the terms of the Financing Agreements are confirmed.

9.2 Further Assurances

The parties hereto shall execute and deliver such supplemental documents and take such supplemental action as may be necessary or desirable to give effect to the provisions and purposes of this Agreement, all at the sole expense of the Credit Parties.

9.3 Binding Effect

This Agreement shall be binding upon and enure to the benefit of each of the parties hereto and its respective successors and permitted assigns.

9.4 Survival of Representations and Warranties

All representations and warranties made in this Agreement or any other document furnished in connection herewith shall survive the execution and delivery of this Agreement and such other document delivered in connection herewith, and no investigation by the Lender or any closing shall affect the representations and warranties or the rights of the Lender to rely upon such representations and warranties.

9.5 Confidentiality

Each of the Credit Parties acknowledges and agrees that the Lender and its professional advisors shall be at liberty, in their sole discretion, to disclose any information obtained from the Credit Parties to any party or parties in order to recover amounts owed to the Lender by the Credit Parties.

9.6 Release

In consideration of the agreements of the Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Credit Parties, on its behalf and on behalf of its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably release, remise and forever discharge the Lender and each of its successors and assigns, participants, affiliates, subsidiaries, branches, divisions, predecessors, directors, officers, attorneys, employees, lenders and other representatives and advisors (the Lender and all such other persons being hereinafter referred to collectively as the “**Releasees**” and individually as a “**Releasee**”), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities whatsoever (individually, a “**Claim**” and collectively, “**Claims**”) of every name and nature, known, , both arising at law and in equity, which each of the Credit Parties or any of its successors, assigns or other legal representatives may now own, hold, have or claim to have against the Releasees or any of them for, upon or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the date of this Agreement, including, without limitation, for or on account of, or in relation to or in any way in connection with, any of the Financing Agreements or transactions thereunder or related thereto.

9.7 No Novation

This Agreement will not discharge or constitute novation of any debt, obligation, covenant or agreement contained in any of the Financing Agreements but the same shall remain in full force and effect save to the extent amended by this Agreement.

9.8 Notice

Without prejudice to any other method of giving notice, any notice required or permitted to be given to a party pursuant to this Agreement will be conclusively deemed to have been received by such party on the day of the sending of the notice by prepaid private courier to such party at its, his or her address noted below or by email at its, his or her email address noted below. Any party may change its, his or her address for service or address by notice given in the foregoing manner.

Notice to the Credit Parties shall be sent to:

Cancom Security Inc.
1183 Finch Ave West, Suite 205
Toronto, Ontario, M3J 2G2

Attention: Ronald Keith Wells Jr.
Email: ronald.wells@cancomsecurity.com

with a copy to:

Keachea Dixon Barrister and Solicitor
2010 Winston Park Drive, 2nd Floor
Oakville, Ontario, L6H 5R7

Attention: Keachea Dixon
Email: kdixon@lawofficeofdixon.com

Notice to the Lender shall be sent to:

The Toronto-Dominion Bank
Financial Restructuring Group
3140 Dufferin Street
Toronto, ON M6A 2T1

Attention: Amanda Bezner
Email: amanda.bezner@td.com

with a copy to:

Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: Kyle Plunkett / Matilda Lici
Email: kplunkett@airdberlis.com / mlici@airdberlis.com

9.9 Execution in Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which taken together will be deemed to constitute one and the same instrument. Counterparts may be executed either in original or portable document format (“PDF”) form and the parties adopt any signatures received by emailed PDF as original signatures of the parties, provided, however, that any party providing its signature in such manner will promptly forward to the other party an original of the signed copy of the Agreement which was so emailed.

9.10 No Set Off, etc.

Each of the Credit Parties reaffirms that the Financing Agreements remain in full force and effect as amended hereby and acknowledge and agree that, as of the date hereof, there is no defence, set off or counterclaim of any kind, nature or description to its obligations arising under the Financing Agreements as a result of the execution of this Agreement or otherwise.

9.12 Independent Legal Advice, etc.

Each of the Credit Parties acknowledges and declares that: (a) it has had an adequate opportunity to read and consider this Agreement and to obtain such advice in regard to it as it considers advisable, including, without limitation, independent legal advice; (b) it fully understands the nature and effect of this Agreement; and (c) this Agreement has been duly executed voluntarily.

[Signatures following on subsequent page]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first above mentioned.

THE TORONTO-DOMINION BANK

By: _____

Name:

Title:

I have authority to bind the corporation.

CANCOM SECURITY INC.

By:  _____

Name: Ronald Wells

Title: CEO

I have authority to bind the corporation.

Amit Tayal

Witness Name:

)
)
)
)
)
)
)

 _____

RONALD KEITH WELLS JR.

Amit Tayal

Witness Name:

)
)
)
)
)
)
)


Ronald Keith Wells Sr. (Sep 26, 2024 15:24 EDT)

RONALD KEITH WELLS SR.

SCHEDULE "A"
SECURITY GRANTED PURSUANT TO CREDIT AGREEMENT

1. General Security Agreement dated July 4, 2019 granted by Cancom Security Inc.;
2. Unlimited Guarantee dated July 19, 2019 granted by Ronald Keith Wells Jr. for the obligations of Cancom Security Inc. to The Toronto-Dominion Bank;
3. Unlimited Guarantee dated July 19, 2019 granted by Ronald Keith Wells Sr. for the obligations of Cancom Security Inc. to The Toronto-Dominion Bank;
4. Postponement and Assignment of Creditor's Claim dated July 19, 2019 granted by Ronald Keith Wells Jr.;
5. Assignment of Term Deposits and Credit Balances in the amount of \$292,417 dated August 10, 2022 granted by Cancom Security Inc.

61622522.5

THIS IS **EXHIBIT "G"** REFERRED TO IN THE
AFFIDAVIT OF **PETER SMIECHOWSKI** SWORN REMOTELY BY **PETER SMIECHOWSKI**
STATED AS BEING LOCATED IN THE CITY OF TORONTO IN THE PROVINCE OF
ONTARIO THIS 23RD DAY OF DECEMBER, 2024

Signed by:

Simran Joshi

0D0B645B9A9E494...

A COMMISSIONER FOR TAKING AFFIDAVITS
SIMRAN JOSHI

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)
In the Matter of the Proposal of
Cancom Security Inc.
of the city of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1512081 Ontario Limited o/a Abrams Towing			306.07
2346583 Ontario Inc. o/a ENT			10,340.00
Abbas A. Damji			11,300.00
AI Tech 247 Inc.			1,089.04
Alan McLean			7,500.00
Allied Universal Security Services			24,018.15
Apex Investigation & Security Inc.			17,885.07
Auto Guyz Tire and Automotive			19,445.87
Automotive Systems America, Inc.			13,377.91
Axon Public Safety Canada Inc.			51,307.71
braXos Security Software			15,663.84
Canadian Security Lifesaver Association			5,000.00
CFO Source			463.30
Ckiz Pattison Media			1,050.00
Con Mar Group Ltd.			11,950.00
Cornerstone Building Group			206,337.95
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	807979216 RC0001	54,807.74

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
Cancom Security Inc.
of the city of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	80797 9216 RT0001	2,731,733.56
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	80797 9216 RP0001	250.00
Dice Corporation			3,447.03
Eagle Eye Networks			1,214.22
Enterprise Rent-A-Car Canada Limited - Toronto Natasha Hrycauk	100 - 7390 Woodbine Avenue Markham ON L3R 1A5		38,153.05
Envisionsoft Inc.			21,749.30
FM Promotions			250.00
Greenspan Partners LLP			2,000.00
Guardian Outfitters			50,419.12
Immix Software LLC			3,868.05
Impact Security Group Inc.			23,986.15
Insureit Group Inc.			627.42
Intech Risk Management Inc.			5,000.00
Investigative Solutions Network Inc.			2,577.53
IptelX			1,550.26
Klassic Car Wash			1,184.69
Manitoulin Hotel & Conference Centre			1,384.25
Mike Petrelli			84,000.00

District of:
Division No.
Court No.
Estate No.

**- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)**

**In the Matter of the Proposal of
Cancom Security Inc.
of the city of Toronto, in the Province of Ontario**

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Miller Thomson LLP - Toronto	Scotia Plaza 5800 - 40 King Street West Toronto ON M5H 3S1		4,505.88
Ms. Annena Raju			672.70
Nobis Inc.			1,000.00
Nobleton Lakes Golf Club			250.00
Nordstrom Canada Retail Inc.			2,007.16
Polat Auto Services			748.69
Purely By Design			250.00
RadioCo Ltd. o/a Kelcom Toronto			34,965.40
Raffo Uomo Import			25,050.00
Rainbow Ridge Golf Course			5,010.29
Robotic Assistance Devices			3,796.32
Ron Wells	ON M3K 2A7		101,359.96
Sabrina Ritchie			800.00
Scott Jackson			8,000.00
Slix			430.34
Synergy Immigration Inc.			5,093.48
TD Canada Trust C/O FCT Default Solutions	PO Box 2514, Station B London ON N6A 4G9	Demand Operating Loan	1,630,756.15
TD Canada Trust C/O FCT Default Solutions	PO Box 2514, Station B London ON N6A 4G9		47,021.00
TD Canada Trust C/O FCT Default Solutions	PO Box 2514, Station B London ON N6A 4G9	Letter of Credit	292,416.99
Terramass Holdings			70,000.00
Think Secure Inc.			119,987.68

District of:
 Division No.
 Court No.
 Estate No.

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 Cancom Security Inc.
 of the city of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Tirsia Tactical			560.48
Torkin Manes LLP Barristers and Solicitors Debbie Tibbo	1500 - 151 Yonge St Toronto ON M5C 2W7		19,271.59
ULINE Canada	3333 James Snow Pky N Milton ON L9T 8L1		644.55
Unifirst Canada Limited			12,255.97
Zapos Consult Inc.			5,000.00
Total			5,816,891.91

Cancom Security Inc.
 Insolvent Person

THIS IS **EXHIBIT "H"** REFERRED TO IN THE
AFFIDAVIT OF **PETER SMIECHOWSKI** SWORN REMOTELY BY **PETER SMIECHOWSKI**
STATED AS BEING LOCATED IN THE CITY OF TORONTO IN THE PROVINCE OF
ONTARIO THIS 23RD DAY OF DECEMBER, 2024

Signed by:

Simran Joshi

0D0B643B9A9E494

A COMMISSIONER FOR TAKING AFFIDAVITS
SIMRAN JOSHI

Enquiry Result

File Currency: 18DEC 2024

⏪ ⏩
 ⏴ ⏵

Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	CANCOM SECURITY INC.								
File Currency	18DEC 2024								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	502834761	1	23	1	31	20FEB 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
502834761		001	1		20240220 1123 1532 8416	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	CANCOM SECURITY INC.								
	Address			City	Province	Postal Code			
	1183 FINCH AVE			NORTH YORK	ON	M3J2G2			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	TOYOTA CREDIT CANADA INC.								
	Address			City	Province	Postal Code			
	80 MICRO COURT			MARKHAM	ON	L3R 9Z5			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X		X		X	X	0	01FEB2029	
Motor Vehicle Description	Year	Make			Model	V.I.N.			
	2024	TOYOTA			PRIUS	JTDADABU2R3011849			
General Collateral Description	General Collateral Description								

Registering Agent

Registering Agent

DocuSign Envelope ID: CA0E942F-A57B-4246-814C-13C5E32811C2

076

	Address	City	Province	Postal Code
	2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	503578494	2	23	2	31	18MAR 2029	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
503578494		001	1		20240318 1014 1532 8730	P PPSA	05

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	1183 FINCH AVE. WEST # 20	NORTH YORK	ON	M3J2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	TOYOTA CREDIT CANADA INC.			
	Address	City	Province	Postal Code
	80 MICRO COURT	MARKHAM	ON	L3R 9Z5

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X		X		X	X		14MAR2029	

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2024	TOYOTA	PRIUS	JTDADABU6R3012941

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	D + H LIMITED PARTNERSHIP			
	Address	City	Province	Postal Code
	2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	503638326	3	23	3	31	19MAR 2030	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
503638326		001	1		20240319 1648 9392 9426	P PPSA	06

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC			
	Address	City	Province	Postal Code
	205 - 1183 FINCH AVE W	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	AUTO ONE GROUP LIMITED			
	Address	City	Province	Postal Code
	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	99960		X

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2024	TESLA	MODEL Y LONG RANGE	7SAYGDEE1RF048585

General Collateral Description	General Collateral Description
	L# 4C1282

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	503659494	4	23	4	31	20MAR 2030	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
503659494		001	1		20240320 0957 9392 9427	P PPSA	06

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC			
	Address	City	Province	Postal Code
	205 - 1183 FINCH AVE W	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	AUTO ONE GROUP LIMITED			
	Address	City	Province	Postal Code
	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	100140		X

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2024	TESLA	MODEL Y	7SAYGDEE5RF047374

General Collateral Description	General Collateral Description
	L# 4C1064

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	503660349	5	23	5	31	20MAR 2030	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
503660349		001	1		20240320 0959 9392 9428	P PPSA	06

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC			
	Address	City	Province	Postal Code
	205 - 1183 FINCH AVE W	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	AUTO ONE GROUP LIMITED			
	Address	City	Province	Postal Code
	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	100140		X

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2024	TESLA	MODEL Y	7SAYGDEE0RF044298

General Collateral Description	General Collateral Description
	L# 4C1306

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	505387845	6	23	6	31	14MAY 2030	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
505387845		001	1		20240514 1705 9392 9522	P PPSA	06

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	205 - 1183 FINCH AVE W	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	AUTO ONE GROUP LIMITED			
	Address	City	Province	Postal Code
	150 OAKDALE RD	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	100142		X

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2024	TESLA	MODEL Y LONG RANGE	7SAYGDEE5RF090595

General Collateral Description	General Collateral Description
	L# 4E0076

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	505388034	7	23	7	31	14MAY 2030	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
505388034		001	1		20240514 1710 9392 9523	P PPSA	06

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	205 - 1183 FINCH AVE W	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	AUTO ONE GROUP LIMITED			
	Address	City	Province	Postal Code
	150 OAKDALE RD	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	100142		X

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2024	TESLA	MODEL Y LONG RANGE	7SAYGDDEEXRF088700

General Collateral Description	General Collateral Description
	L# 4E0128

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	507432816	8	23	8	31	19JUL 2029	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
507432816		001	1		20240719 1141 9392 9688	P PPSA	05

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC			
	Address	City	Province	Postal Code
	1183 FINCH AVE W UNIT 205	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	AUTO ONE GROUP LIMITED			
	Address	City	Province	Postal Code
	150 OAKDALE RD	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	48401		X

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2024	CHEVROLET	TRAILBLAZER AWD LS	KL79MNSL4RB110158

General Collateral Description	General Collateral Description
	L# 4G0393

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	507487095	9	23	9	31	22JUL 2029	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
507487095		01	001		20240722 1404 1462 8365	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation Number
	CANCOM SECURITY INC			
	Address	City	Province	Postal Code
	1183 FINCH AVE. W. UNIT 205	NORTH YORK	ON	M3J2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	AUTO ONE GROUP LIMITED			
	Address	City	Province	Postal Code
	150 OAKDALE RD	TORONTO	ON	M3N1V9

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X					X	48947		X

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2024	CHEVROLET	TRAILBLAZER LS AWD	KL79MNSL7RB116231

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	AUTO ONE GROUP LIMITED			
	Address	City	Province	Postal Code
	150 OAKDALE ROAD	TORONTO	ON	M3N1V9

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	752930892	10	23	10	31	03JUL 2029	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
752930892		001	002		20190703 0946 1862 2807	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	1183 FINCH AVENUE WEST, UNIT 205	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	THE TORONTO-DOMINION BANK			
	Address	City	Province	Postal Code
	MIDTOWN COMMERCIAL BANKING CENTRE 2 ST.	TORONTO	ON	M4T 2T5

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			X

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	MILLER THOMSON LLP (MT/JC)			
	Address	City	Province	Postal Code
	295 HAGEY BLVD, SUITE 300	WATERLOO	ON	N2L 6R5

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	752930892	10	23	11	31	03JUL 2029	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
752930892		002	002		20190703 0946 1862 2807		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code
	CLAIR AVENUE EAST, 5TH FLOOR			

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

CONTINUED

Type of Search Business Debtor

Search Conducted On CANCOM SECURITY INC.

File Currency 18DEC 2024

File Number	Family	of Families	Page	of Pages
752930892	10	23	12	31

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
	001	1		20240527 0850 1532 8401	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	752930892			B RENEWAL	5	

Reference Debtor/ Transferor	First Given Name	Initial	Surname

Business Debtor Name
CANCOM SECURITY INC.

Other Change
Other Change

Reason / Description
Reason / Description

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname

Business Debtor Name	Ontario Corporation Number

Address	City	Province	Postal Code

Assignor Name
Assignor Name

Secured Party	Secured party, lien claimant, assignee

Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description
General Collateral Description

Registering Agent Registering Agent or Secured Party/ Lien Claimant
D + H LIMITED PARTNERSHIP

Address	City	Province	Postal Code
2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

088

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	766124541	11	23	13	31	25SEP 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
766124541		01	001		20200925 1036 1529 9794	P PPSA	6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	1183 FINCH AVENUE WEST, 205	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	20OCT1975	RONALD	K	WELLS

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	19 BIRCH AVE	CALEDON	ON	L7E 2J0

Secured Party	Secured Party / Lien Claimant			
	ROYAL BANK OF CANADA			
	Address	City	Province	Postal Code
	10 YORK MILLS ROAD 3RD FLOOR	TORONTO	ON	M2P 0A2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X				X	X			X

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2020	TESLA	MODEL 3	5YJ3E1EB5LF789184

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	CANADIAN SECURITIES REGISTRATION SYSTEMS			
	Address	City	Province	Postal Code
	4126 NORLAND AVENUE	BURNABY	BC	V5G 3S8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	766283976	12	23	14	31	30SEP 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
766283976		01	001		20200930 1037 1529 1441	P PPSA	6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	1183 FINCH AVENUE WEST, SUITE 205	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	20OCT1975	RONALD		WELLS

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	19 BIRCH AVE	CALEDON	ON	L7E 2K0

Secured Party	Secured Party / Lien Claimant			
	ROYAL BANK OF CANADA			
	Address	City	Province	Postal Code
	10 YORK MILLS ROAD 3RD FLOOR	TORONTO	ON	M2P 0A2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X				X	X			X

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2020	TESLA	MODEL 3	5YJ3E1EB8LF789194

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	CANADIAN SECURITIES REGISTRATION SYSTEMS			
	Address	City	Province	Postal Code
	4126 NORLAND AVENUE	BURNABY	BC	V5G 3S8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	768382092	13	23	15	31	08DEC 2028	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
768382092		01	001		20201208 1050 1529 9686	P PPSA	8

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	1183 FINCH AVENUE WEST #205	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	20OCT1975	RONALD	K	WELLS

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	1183 FINCH AVE W #205, 205	NORTH YORK	ON	M3J 2G2

Secured Party	Secured Party / Lien Claimant			
	ROYAL BANK OF CANADA			
	Address	City	Province	Postal Code
	10 YORK MILLS ROAD 3RD FLOOR	TORONTO	ON	M2P 0A2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X				X	X			X

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2020	TESLA	MODEL 3	5YJ3E1EB9LF789169

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	CANADIAN SECURITIES REGISTRATION SYSTEMS			
	Address	City	Province	Postal Code
	4126 NORLAND AVENUE	BURNABY	BC	V5G 3S8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	770915421	14	23	16	31	25MAR 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
770915421		01	004		20210325 1432 8077 3676	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC			
	Address	City	Province	Postal Code
	1183 FINCH AVE SUITE 205	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	20OCT1975	RONALD	K	WELLS

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	19 BIRCH AVE	PALGRAVE	ON	L7E 0K2

Secured Party	Secured Party / Lien Claimant			
	RCAP LEASING INC.			
	Address	City	Province	Postal Code
	5575 NORTH SERVICE RD, STE 300	BURLINGTON	ON	L7L 6M1

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X	X	X	X			X

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2020	GEHL	M08	YMRM08Y1EJBJ00548
	2020	GEHL	RT105	GHLRT105A0D701470

General Collateral Description	General Collateral Description
	2020 GEHL M08 COMPACT EXCAVATOR S/N YMRM08Y1EJBJ00548?2020
	GEHL RT105 TRACK LOADER S/N GHLRT105A0D701470 INCLUDES GEHL 50851154
	54" DIRT BKT S/N 187461-0779, EDGE 50504403 PA150 PLANETARY AUGER

Registering Agent	Registering Agent			
	REGISTRY = RECOVERY INC.			
	Address	City	Province	Postal Code
	1551 THE QUEENSWAY	TORONTO	ON	M8Z 1T5

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	770915421	14	23	17	31	25MAR 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
770915421		02	004		20210325 1432 8077 3676		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	20OCT1975	RONALD	K	WELLS JR

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	19 BIRCH AVE	PALGRAVE	ON	L7E 0K2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	EQUIPMENT FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR
	AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER
	FINANCING AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND THE

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	770915421	14	23	18	31	25MAR 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
770915421		03	004		20210325 1432 8077 3676		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	770915421	14	23	19	31	25MAR 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
770915421		04	004		20210325 1432 8077 3676		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	773277678	15	23	20	31	08JUN 2029	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
773277678		001	2		20210608 1430 1219 9584	P PPSA	08

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	1183 FINCH AVENUE WEST 205205	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	20OCT1975	RONALD	K	WELLS

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	1183 FINCH AVE W 205205	NORTH YORK	ON	M3J 2G2

Secured Party	Secured Party / Lien Claimant			
	THE BANK OF NOVA SCOTIA			
	Address	City	Province	Postal Code
	10 WRIGHT BOULEVARD	STRATFORD	ON	N5A 7X9

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X	X	59946		

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2021	TESLA	MODEL 3	5YJ3E1EB9MF965591

General Collateral Description	General Collateral Description
	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES

Registering Agent	Registering Agent			
	TERANET COLLATERAL MANAGEMENT SOLUTIONS CORPORATION (BNS)			
	Address	City	Province	Postal Code
	2 ROBERT SPECK PARKWAY, 15TH FL	MISSISSAUGA	ON	L4Z 1H8

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	773277678	15	23	21	31	08JUN 2029	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
773277678		002	2		20210608 1430 1219 9584		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	20OCT1975	RONALD	K	WELLS JR

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	1183 FINCH AVE W 205205	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	777211632	16	23	22	31	12OCT 2029	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
777211632		001	1		20211012 0851 1532 4835	P PPSA	8

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	1183 FINCH AVENUE WEST, 205	NORTH YORK	ON	M3J2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	20OCT1975	RONALD	K	WELLS

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	205-1183 FINCH AVE	NORTH YORK	ON	M3J2G2

Secured Party	Secured Party / Lien Claimant			
	ROYAL BANK OF CANADA			
	Address	City	Province	Postal Code
	10 YORK MILLS ROAD 3RD FLOOR	TORONTO	ON	M2P 0A2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X					X	67044	19AUG2029	

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2021	TESLA	MODEL Y	5YJYGDEE1MF244449

General Collateral Description	General Collateral Description
	THE FULL DEBTOR NAME IS - RONALD KEITH JR. WELLS

Registering Agent	Registering Agent			
	D + H LIMITED PARTNERSHIP			
	Address	City	Province	Postal Code
	2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	778092534	17	23	23	31	09NOV 2025	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
778092534		001	1		20211109 1749 1532 0689	P PPSA	04

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	1183 FINCH AVENUE W SUITE 205	TORONTO	ON	M3J2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	TD AUTO FINANCE (CANADA) INC.			
	Address	City	Province	Postal Code
	PO BOX 4086, STATION A	TORONTO	ON	M5W 5K3

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X		X		X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2021	JEEP	WRANGLER	1C4HJXEN1MW832849

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	D + H LIMITED PARTNERSHIP			
	Address	City	Province	Postal Code
	2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	778123557	18	23	24	31	10NOV 2025	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
778123557		001	1		20211110 1604 1532 4205	P PPSA	04

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	1183 FINCH AVENUE W SUITE 205	TORONTO	ON	M3J2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	TD AUTO FINANCE (CANADA) INC.			
	Address	City	Province	Postal Code
	PO BOX 4086, STATION A	TORONTO	ON	M5W 5K3

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X		X		X	X			

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2021	JEEP	WRANGLER	1C4HJXENXMW832848

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	D + H LIMITED PARTNERSHIP			
	Address	City	Province	Postal Code
	2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	784190727	19	23	25	31	21JUN 2030	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
784190727		001	2		20220621 1610 1532 3202	P PPSA	8

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation Number
	CANCOM SECURITY INC.			
Address		City	Province	Postal Code
1183 FINCH AVE W 205205		NORTH YORK	ON	M3J2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	20OCT1975	RONALD	K	WELLS
Business Debtor	Business Debtor Name			Ontario Corporation Number
Address		City	Province	Postal Code
1183 FINCH AVENUE WEST SUITE 205SUITE 20		NORTH YORK	ON	M3J2G2

Secured Party	Secured Party / Lien Claimant			
	THE BANK OF NOVA SCOTIA			
Address		City	Province	Postal Code
10 WRIGHT BOULEVARD		STRATFORD	ON	N5A7X9

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X	X	71559		

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2022	TESLA	MODEL Y	7SAYGDEE5NF415062

General Collateral Description	General Collateral Description
	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES

Registering Agent	Registering Agent			
	D + H LIMITED PARTNERSHIP			
Address		City	Province	Postal Code
2 ROBERT SPECK PARKWAY, 15TH FLOOR		MISSISSAUGA	ON	L4Z 1H8

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	784190727	19	23	26	31	21JUN 2030	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
784190727		002	2		20220621 1610 1532 3202		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	20OCT1975	RONALD	K	WELLS JR

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	1183 FINCH AVENUE WEST SUITE 205SUITE 20	NORTH YORK	ON	M3J2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	786219696	20	23	27	31	29AUG 2027	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
786219696		01	001		20220829 1435 1530 8762	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	1183 FINCH AVE W UNIT 205	NORTH YORK	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	THE TORONTO-DOMINION BANK - 18852			
	Address	City	Province	Postal Code
	5731 HIGHWAY 7 UNIT 26	WOODBIDGE	ON	L4L 4Y9

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	D+H LIMITED PARTNERSHIP			
	Address	City	Province	Postal Code
	SUITE 200, 4126 NORLAND AVENUE	BURNABY	BC	V5G 3S8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	791175726	21	23	28	31	02MAR 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
791175726		001	1		20230302 1656 5064 8830	P PPSA	03

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	1183 FINCH AVE WEST # 205	TORONTO	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY			
	Address	City	Province	Postal Code
	1183 FINCH AVE WEST # 205	TORONTO	ON	M3J 2G2

Secured Party	Secured Party / Lien Claimant			
	VAULT CREDIT CORPORATION			
	Address	City	Province	Postal Code
	41 SCARSDALE ROAD, SUITE 5	TORONTO	ON	M3B 2R2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X				

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	EQUIPMENT DESCRIBED IN AGREEMENT NUMBER (295848), TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.

Registering Agent	Registering Agent			
	ESC CORPORATE SERVICES LTD.			
	Address	City	Province	Postal Code
	445 KING STREET WEST, SUITE 400	TORONTO	ON	M5V 1K4

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	791500365	22	23	29	31	15MAR 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
791500365		001	1		20230315 1437 1902 0343	P PPSA	03

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	1183 FINCH AVE WEST # 205	TORONTO	ON	M3J 2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY			
	Address	City	Province	Postal Code
	1183 FINCH AVE WEST # 205	TORONTO	ON	M3J 2G2

Secured Party	Secured Party / Lien Claimant			
	VAULT CREDIT CORPORATION			
	Address	City	Province	Postal Code
	41 SCARSDALE ROAD, SUITE 5	TORONTO	ON	M3B 2R2

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X				

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	ALL EQUIPMENT DESCRIBED IN AGREEMENT NUMBER 297715, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.

Registering Agent	Registering Agent			
	ESC CORPORATE SERVICES LTD. (297715)			
	Address	City	Province	Postal Code
	445 KING STREET WEST, SUITE 400	TORONTO	ON	M5V 1K4

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CANCOM SECURITY INC.						
File Currency	18DEC 2024						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	793688049	23	23	30	31	26MAY 2031	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
793688049		001	2		20230526 1534 1532 7960	P PPSA	08

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CANCOM SECURITY INC.			
	Address	City	Province	Postal Code
	1183 FINCH AVENUE WEST SUITE 205SUITE 20	NORTH YORK	ON	M3J2G2

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	20OCT1975	RONALD	K	WELLS

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code
	1183 FINCH AVE W SUITE 205SUITE 205	NORTH YORK	ON	M3J2G2

Secured Party	Secured Party / Lien Claimant			
	THE BANK OF NOVA SCOTIA			
	Address	City	Province	Postal Code
	10 WRIGHT BOULEVARD	STRATFORD	ON	N5A7X9

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X	X	183079.85		

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2023	TESLA	MODEL S	5YJSA1E60PF511812

General Collateral Description	General Collateral Description
	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES

Registering Agent	Registering Agent			
	D + H LIMITED PARTNERSHIP			
	Address	City	Province	Postal Code
	2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

CONTINUED

Type of Search		Business Debtor							
Search Conducted On		CANCOM SECURITY INC.							
File Currency		18DEC 2024							
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	793688049	23	23	31	31	26MAY 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
793688049		002	2		20230526 1534 1532 7960				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	20OCT1975	RONALD			K	WELLS JR			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	1183 FINCH AVE W SUITE 205SUITE 205				NORTH YORK	ON	M3J2G2		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

LAST PAGE

Note: All pages have been returned.


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
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THIS IS **EXHIBIT "I"** REFERRED TO IN THE
AFFIDAVIT OF **PETER SMIECHOWSKI** SWORN REMOTELY BY **PETER SMIECHOWSKI**
STATED AS BEING LOCATED IN THE CITY OF TORONTO IN THE PROVINCE OF
ONTARIO THIS 23RD DAY OF DECEMBER, 2024

Signed by:

Simran Joshi

0D0B645B9A9E494

A COMMISSIONER FOR TAKING AFFIDAVITS
SIMRAN JOSHI



Midtown Commercial Banking Centre
2 St Clair Ave E Suite 500
Toronto, ON M4T 2T5
Telephone No.: (416) 983 1363
Fax No.: (416) 961 3124

June 12, 2019

CANCOM SECURITY INC.
1183 Finch Ave W, Unit 205
North York, ON M3J 2G2

Attention: Ronald Keith Wells Jr.

Dear Mr. Wells,

We are pleased to offer the Borrower the following credit facilities (the "Facilities"), subject to the following terms and conditions.

BORROWER

CANCOM SECURITY INC. (the "Borrower")

LENDER

The Toronto-Dominion Bank (the "Bank"), through its Midtown branch, in Toronto, ON.

CREDIT LIMIT

- 1) CAD\$400,000
- 2) CAD\$87,000 as reduced pursuant to the section headed "Repayment and Reduction of Amount of Credit Facility"
- 3) CAD\$100,000 as reduced pursuant to the section headed "Repayment and Reduction of Amount of Credit Facility"

**TYPE OF CREDIT AND
BORROWING OPTIONS**

- 1) **Operating Loan** available at the Borrower's option by way of:
 - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")
- 2, 3) **Committed Reducing Term Facility (Single Draw)** available at the Borrower's option by way of:
 - Fixed Rate Term Loan in CAD\$
 - Floating Rate Term Loan available by way of:
 - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")

PURPOSE

- 1) To finance working capital requirements
- 2) To take over existing Promissory Note
- 3) To take over existing TD Small Business Banking loans

TENOR

- 1) Uncommitted
- 2, 3) Committed

CONTRACTUAL TERM

- 1) No term
- 2, 3) 36 months from the date of drawdown

RATE TERM

- 2, 3) Fixed rate: 12-36 months but never to exceed the Contractual Term Maturity Date
Floating rate: No term

AMORTIZATION

- 2, 3) 36 months

**INTEREST RATES
AND FEES**

Advances shall bear interest and fees as follows:

- 1) **Operating Loan:**
 - Prime Based Loans: Prime Rate + 1.50% per annum
- 2, 3) **Committed Reducing Term Facility:**
 - Fixed Rate Term Loans: as determined by the Bank, in its sole discretion, for the Rate Term selected by the Borrower, and as set out in the Rate and Payment Terms Notice applicable to that Fixed Rate Term Loan.
 - Floating Rate Term Loans available by way of:
 - Prime Based Loans: Prime Rate + 1.50% per annum

For all Facilities, interest payments will be made in accordance with Schedule "A" attached hereto unless otherwise stated in this Letter or in the Rate and Payment Terms Notice applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A" attached hereto.

ARRANGEMENT FEE

The Borrower has paid or will pay prior to any drawdown hereunder a non-refundable arrangement fee of CAD\$1,500.

ADMINISTRATION FEE

CAD\$100 per month.

RENEWAL FEE

CAD\$1,500 per annum.

EXCESS MONITORING FEE

The Borrower may, at the Bank's discretion, be charged an Excess Monitoring Fee of \$250, payable in the currency of the Facility, each time that the Credit Limit of a Facility is exceeded. Any extension of credit above the Credit Limit will be at the Bank's sole and absolute discretion.

DRAWDOWN

- 1) On a revolving basis
- 2) One time drawdown to match the outstanding balance of the Promissory Note, after which time, any amount not drawn is cancelled. Amounts repaid may not be redrawn.
One time drawdown prior to match the outstanding balance of the three outstanding loans with TD Small Business Banking, after which time, any amount not drawn is cancelled. Amounts repaid may not be redrawn. Three outstanding loans with TD Small Business Banking include: LON#9235879-02-1885, LON#9235879-03-1993, and LON#9235879-04-1993.
- 3)

Each drawdown under 2, and 3 will be a "tranche" and each tranche will bear its own interest rate and repayment terms as set out in the Rate and Payment Terms Notice delivered by the Bank to the Borrower in respect of that drawdown.

Notice periods, minimum amounts of draws, interest periods and contract maturity for LIBOR Loans, terms for Banker's Acceptances and other similar details are set out in the Schedule "A" attached hereto.

BUSINESS CREDIT SERVICE

The Borrower will have access to the Operating Loan (Facility 1) via a Loan Account Number to be determined (the "Loan Account") up to the Credit Limit of the Operating Loan by withdrawing funds from the Borrower's Current Account Number 1885-5235879 (the "Current Account"). The Borrower agrees that each advance from the Loan Account will be in an amount equal to \$5,000 (the "Transfer Amount") or a multiple thereof. If the Transfer Amount is NIL, the Borrower agrees that an advance from the Borrower's Loan Account may be in an amount sufficient to cover the debits made to the Current Account.

The Borrower agrees that:

- a) all other overdraft privileges which have governed the Borrower's Current Account are hereby cancelled.
- b) all outstanding overdraft amounts under any such other agreements are now included in indebtedness under this Agreement.

The Bank may, but is not required to, automatically advance the Transfer Amount or a multiple thereof or any other amount from the Loan Account to the Current Account in order to cover the debits made to the Current Account if the amount in the Current Account is insufficient to cover the debits. The Bank may, but is not required to, automatically and without notice apply the funds in the Current Account in amounts equal to the Transfer Amount or any multiple thereof or any other amount to repay the outstanding amount in the Loan Account.

**REPAYMENT AND REDUCTION OF
AMOUNT OF CREDIT FACILITY**

- 1) On demand. If the Bank demands repayment, the Borrower will pay to the Bank all amounts outstanding under the Operating Loan, including without limitation, the amount of all unmatured B/As and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All costs to the Bank and all loss suffered by the Bank in re-employing the amounts so repaid will be paid by the Borrower.
- 2, 3) All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. The drawdown will be repaid in equal monthly payments. The details of repayment and interest rate applicable to such drawdown will be set out in the "Rate and Payment Terms Notice" applicable to that drawdown. Any amounts repaid may not be reborrowed.

PREPAYMENT

- 2, 3) The Borrower may select the 10% Prepayment Option and accordingly, Fixed Rate Term Loans under this Facility may be prepaid in accordance with Section 4a) and 4b) of Schedule A.

SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

- a) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property - **To Be Obtained**
- b) Assignment of Fire Insurance to be issued by the Borrower - **To Be Obtained**
- c) Assignment of Term Deposits and Credit Balances registered in the name of CANCOM SECURITY INC. in the amount of CAD \$40,653 - **To Be Obtained**
- d) Postponement and Assignment of Creditor's Claim executed by RONALD KEITH WELLS JR. - **To Be Obtained**
- e) Continuing Collateral Mortgage, representing a Second charge, on real property located at 203 Ridgewood Cres, Caledon, ON in the principal amount of CAD \$43,400, beneficially owned by and registered in the name of CLAUDIA CARMELA WELLS and RONALD KEITH WELLS JR. - **To Be Obtained**
- f) Unlimited Personal Guarantee of Advances executed by RONALD KEITH WELLS JR - **To Be Obtained**
- g) Limited Personal Guarantee of Advances in the amount of CAD \$43,400 executed by CLAUDIA CARMELA WELLS with Independent Legal Advice in respect of the guarantee - **To Be Obtained**
- h) Unlimited Personal Guarantee of Advances executed by RONALD KEITH WELLS JR - **To Be Obtained**

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

**DISBURSEMENT
CONDITIONS**

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A" and the following additional drawdown conditions:

Delivery to the Bank of the following, all of which must be satisfactory to the Bank:

- All) All security to be on hand and in order prior to funding.
- All) Executed Loan Agreement to be on hand and in order prior to funding.
- All) Most recent Aged Accounts Receivables and Accounts Payables Listing satisfactory to the Bank.
- All) Satisfactory Notice to Reader Financial Statements for the fiscal year end April 30, 2019.
- All) Solicitor to confirm payout and discharge of JPG loan and related pledge of shares.
- All) Solicitor to confirm that all taxes are current prior to funding of the loans.

**REPRESENTATIONS
AND WARRANTIES**

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in Schedule "A".

POSITIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A," and in addition will:

- a) The Borrower is to maintain bank accounts at TD. All Revenues and Expenses to flow through the Account.

NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A".

REPORTING COVENANTS

- a) Provide annual notice to reader financial statements within 120 calendar days of fiscal year end
- b) Provide monthly Aged Accounts Receivable and Accounts Payable Listing within 120 calendar days after each year end
- c) Delivery of a Personal Financial Statement and Privacy Agreement from the Guarantors and such supporting documentation as the Bank may reasonably request, minimum every three years

EVENTS OF DEFAULT

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the Standard Events of Default contained in Schedule "A" attached hereto.

ANCILLARY FACILITIES

As at the date of this Agreement, the following uncommitted ancillary products are made available. These products may be subject to other agreements.

- 1) TD Visa Business card (or cards) for an aggregate amount of \$50,000.

AVAILABILITY OF OPERATING LOAN

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

SCHEDULE "A" – STANDARD TERMS AND CONDITIONS

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before July 31, 2019.

Yours truly,

THE TORONTO-DOMINION BANK

Isabella Ludovice
Account Manager



Benjamin McKeown
Manager Commercial Services

TO THE TORONTO-DOMINION BANK:

CANCOM SECURITY INC. hereby accepts the foregoing offer this 12 day of June, 2019. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.



Signature

Ronald Wells, President

Print Name & Position

cc. Guarantor(s)

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

SCHEDULE A
STANDARD TERMS AND CONDITIONS

1. INTEREST RATE DEFINITIONS

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

The Stamping Fee rate per annum for CAD B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for USD B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

CDOR means, for any day, the annual rate for B/As denominated in Canadian Dollars for a specified term that appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, then on the immediately preceding Business Day).

LIBOR means the rate of interest per annum (based on a 360 day year) as determined by the Bank (rounded upwards, if necessary to the nearest whole multiple of 1/16th of 1%) at which the Bank may make available United States dollars which are obtained by the Bank in the Interbank Euro Currency Market, London, England at approximately 11:00 a.m. (Toronto time) on the second Business Day before the first day of, and in an amount similar to, and for the period similar to the interest period of, such advance.

USBR means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

If Prime Rate, CDOR, LIBOR, USBR or any other applicable base rate is less than zero, such base rate shall be deemed to be zero for purposes of this Agreement.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

2. INTEREST CALCULATION AND PAYMENT

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year.

The Stamping Fee is calculated based on the amount and the term of the B/A and is payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CAD B/As or USD B/As as the case may be, for the specified term of the B/A less the B/A Stamping Fee. If the B/A discount rate (or the rate used to determine the B/A discount rate) is less than zero, it shall instead be deemed to be zero for purposes of this Agreement.

Interest on LIBOR Loans and CDOR Loans is calculated and payable on the earlier of contract maturity or quarterly in arrears, for the number of days in the LIBOR or CDOR interest period, as applicable.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on Fixed Rate Term Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of principal.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at the Bank's standard rate charged from time to time for overdrafts, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

3. DRAWDOWN PROVISIONS

Prime Based and USBR Loans

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in this Agreement. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over \$1,000,000.

B/As

The Borrower shall advise the Bank of the requested term or maturity date for B/As issued hereunder. The Bank shall have the discretion to restrict the term or maturity dates of B/As. In no event shall the term of the B/A exceed the Contractual Term Maturity Date or Maturity Date, as applicable. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of B/As is \$1,000,000 and in multiples of \$100,000 thereafter. The Borrower shall provide the Bank with 3 Business Days' notice of a requested B/A drawdown.

The Borrower shall pay to the Bank the full amount of the B/A at the maturity date of the B/A.

The Borrower appoints the Bank as its attorney to and authorizes the Bank to (i) complete, sign, endorse, negotiate and deliver B/As on behalf of the Borrower in handwritten form, or by facsimile or mechanical signature or otherwise, (ii) accept such B/As, and (iii) purchase, discount, and/or negotiate B/As.

LIBOR and CDOR

The Borrower shall advise the Bank of the requested LIBOR or CDOR contract maturity period. The Bank shall have the discretion to restrict the LIBOR or CDOR contract maturity. In no event shall the term of the LIBOR or CDOR contract exceed the Contractual Term Maturity Date. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of a LIBOR Loan or a CDOR Loan is \$1,000,000, and shall be in multiples of \$100,000 thereafter. The Borrower will provide the Bank with 3 Business Days' notice of a requested LIBOR Loan or CDOR Loan.

L/C and/or L/G

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

B/A, LIBOR and CDOR - Conversion

Any portion of any B/A, LIBOR or CDOR Loan that is not repaid, rolled over or converted in accordance with the applicable notice requirements hereunder shall be converted by the Bank to a Prime Based Loan effective as of the maturity date of the B/A or the last day in the interest period of the LIBOR or CDOR contract, as applicable. The Bank may charge interest on the amount of the Prime Based Loan at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

B/A, LIBOR and CDOR – Market Disruption

If the Bank determines, in its sole discretion, that a normal market in Canada for the purchase and sale of B/As or the making of CDOR or LIBOR Loans does not exist, any right of the Borrower to request a drawdown under the applicable borrowing option shall be suspended until the Bank advises otherwise. Any drawdown request for B/As, LIBOR or CDOR Loans, as applicable, during the suspension period shall be deemed to be a drawdown notice requesting a Prime Based Loan in an equivalent amount.

Cash Management

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit even if the drawdown results in amounts outstanding in excess of the Credit Limit.

Notice

Prior to each drawdown under a Fixed Rate Term Loan, other than a Long Term Farm Loan, an Agriculture Term Loan, a Canadian Agricultural Loans Act Loan, a Dairy Term Loan or a Poultry Term Loan and at least 10 days prior to the maturity of each Rate Term, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of BA, CDOR, or LIBOR Loan or under the operating loan, send a Rate and Payment Terms Notice to the Borrower.

4. PREPAYMENT**Fixed Rate Term Loans****10% Prepayment Option Chosen.**

- (a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Fixed Rate Term Loan not exceeding 10% of the original amount of the Fixed Rate Term Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.
- (b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Fixed Rate Term Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
 - i) three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
 - ii) the Yield Maintenance, being the difference between:
 - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
 - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity

of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

10% Prepayment Option Not Chosen.

- (c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
- i) three months' interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
 - ii) the Yield Maintenance, being the difference between:
 - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
 - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

Floating Rate Term Loans

The Borrower may prepay the whole or any part of the principal outstanding under a Floating Rate Term Loan, at any time without the payment of prepayment charges.

5. STANDARD DISBURSEMENT CONDITIONS

The obligation of the Bank to permit any drawdowns hereunder at any time is subject to the following conditions precedent:

- a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:
 - i) A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
 - ii) A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
 - iii) All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
 - iv) The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
 - v) All operation of account documentation; and
 - vi) For drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement
- b) The representations and warranties contained in this Agreement are correct.
- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.
- d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

6. STANDARD REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, that:

- a) The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.
- b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.
- c) No Event of Default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement or which would constitute a default under any other agreement.
- d) There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
- e) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.
- f) The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.
- g) All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and workers' compensation dues are currently paid and up to date.
- h) If the Bank Security includes a charge on real property, the Borrower or Guarantor, as applicable, is the legal and beneficial owner of the real property with good and marketable title in fee simple thereto, free from all easements, rights-of-way, agreements, restrictions, mortgages, liens, executions and other encumbrances, save and except for those approved by the Bank in writing.
- i) All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
 - i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
 - ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
 - iii) the Borrower's ownership, control and structure.

7. STANDARD POSITIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will, and will ensure that its subsidiaries and each of the Guarantors will:

- a) Pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower.
- b) Advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender.
- c) Advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Borrower or the occurrence of any Event of Default or default under this Agreement or under any other agreement for borrowed money.

- d) Do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.
- e) Take all necessary actions to ensure that the Bank Security and its obligations hereunder will rank ahead of all other indebtedness of and all other security granted by the Borrower.
- f) Pay all taxes, assessments and government charges unless such taxes, assessments, or charges are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.
- g) Provide the Bank with information and financial data as it may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty in Section 6(i).
- h) Maintain property, plant and equipment in good repair and working condition.
- i) Inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Borrower.
- j) Provide such additional security and documentation as may be required from time to time by the Bank or its solicitors.
- k) Continue to carry on the business currently being carried on by the Borrower its subsidiaries and each of the Guarantors at the date hereof.
- l) Maintain adequate insurance on all of its assets, undertakings, and business risks.
- m) Permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom.
- n) Comply with all applicable laws.

8. STANDARD NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

- a) Create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its assets or undertakings, now owned or hereafter acquired, except for those Permitted Liens, if any, set out in the Letter.
- b) Create, incur, assume or suffer to exist any other indebtedness for borrowed money (except for indebtedness resulting from Permitted Liens, if any) or guarantee or act as surety or agree to indemnify the debts of any other Person.
- c) Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.
- d) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables and leasehold interests), except for inventory disposed of in the ordinary course of business.
- e) Terminate or enter into a surrender of any lease of any property mortgaged under the Bank Security.
- f) Cease to carry on the business currently being carried on by each of the Borrower, its subsidiaries, and the Guarantors at the date hereof.
- g) Permit any change of ownership or change in the capital structure of the Borrower.

9. ENVIRONMENTAL

The Borrower represents and warrants (which representation and warranty shall continue throughout the term of this Agreement) that the business of the Borrower, its subsidiaries and each of the Guarantors is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The Borrower shall, at the request of the Bank from time to time, and at the Borrower's expense, obtain and provide to the Bank an environmental audit or inspection report of the property from auditors or inspectors acceptable to the Bank.

The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security.

10. STANDARD EVENTS OF DEFAULT

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the following Events of Default:

- a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees outstanding under this Agreement within 3 Business Days of when due.
- b) If any representation, warranty or statement made hereunder or made in connection with the execution and delivery of this Agreement or the Bank Security is false or misleading at any time.
- c) If any representation or warranty made or information provided by the Guarantor to the Bank from time to time, including without limitation, under or in connection with the Personal Financial Statement and Privacy Agreement provided by the Guarantor, is false or misleading at any time.
- d) If there is a breach or non-performance or non-observance of any term or condition of this Agreement or the Bank Security and, if such default is capable to being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- e) If the Borrower, any one of its subsidiaries, or, if any of the Guarantors makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any of the Guarantors or if the Borrower, any of its subsidiaries, or any of the Guarantors is insolvent or declared bankrupt.
- f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of its subsidiaries, or any of the Guarantors.
- g) If action is taken by an encumbrancer against the Borrower, any of its subsidiaries, or any of the Guarantors to take possession of property or enforce proceedings against any assets.
- h) If any final judgment for the payment of monies is made against the Borrower, any of its subsidiaries, or any of the Guarantors and it is not discharged within 30 days from the imposition of such judgment.
- i) If there exists an event, the effect of which with lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower, any of its subsidiaries, or any of the Guarantors.
- j) If the Borrower, any one of its subsidiaries, or any of the Guarantors default under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.
- k) If the Bank Security is not enforceable or if any party to the Bank Security shall dispute or deny any liability or any of its obligations under the Bank Security, or if any Guarantor terminates a guarantee in respect of future advances.
- l) If, in the Bank's determination, a material adverse change occurs in the financial condition, business operations or prospects of the Borrower, any of the Borrower's subsidiaries, or any of the Guarantors.
- m) If the Borrower or a Guarantor is an individual, the Borrower or such Guarantor dies or is found by a court to be incapable of managing his or her affairs.

11. ACCELERATION

If the Bank accelerates the payment of principal and interest hereunder, the Borrower shall immediately pay to the Bank all amounts outstanding hereunder, including without limitation, the amount of unmatured B/As, CDOR and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All cost to the Bank of unwinding CDOR and LIBOR Loans and all loss suffered by the Bank in re-employing amounts repaid will be paid by the Borrower.

The Bank may demand the payment of principal and interest under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) hereunder and cancel any undrawn portion of the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) hereunder, at any time whether or not an Event of Default has occurred.

12. INDEMNITY

The Borrower agrees to indemnify the Bank from and against any and all claims, losses and liabilities arising or resulting from this Agreement. USD loans must be repaid with USD and CAD loans must be repaid with CAD and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD loans are repaid with CAD or vice versa, whether such payment is made pursuant to an order of a court or otherwise. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement.

13. TAXATION ON PAYMENTS

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower, shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

14. REPRESENTATION

No representation or warranty or other statement made by the Bank concerning any of the Facilities shall be binding on the Bank unless made by it in writing as a specific amendment to this Agreement.

15. CHANGING THE AGREEMENT

- a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.
- b) Changes to the Agreement, other than as described in a) above, including changes to covenants and fees payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.
- c) The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit.

16. ADDED COST

If the introduction of or any change in any present or future law, regulation, treaty, official or unofficial directive, or regulatory requirement, (whether or not having the force of law) or in the interpretation or application thereof, relates to:

- i) the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any Facility or loan made available hereunder; or,

- ii) any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,
- iii) the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder;

and the result of such occurrence is, in the sole determination of the Bank, to increase the cost of the Bank or to reduce the income received or receivable by the Bank hereunder, the Borrower shall, on demand by the Bank, pay to the Bank that amount which the Bank estimates will compensate it for such additional cost or reduction in income and the Bank's estimate shall be conclusive, absent manifest error.

17. EXPENSES

The Borrower shall pay, within 5 Business Days following notification, all fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration and ongoing administration of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited, to all outside counsel fees and expenses and all in-house legal fees and expenses, if in-house counsel are used, and all outside professional advisory fees and expenses. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 25, the Bank or the Bank's agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including the registration fee in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Operating Loan, the Agriculture Operating Line or Farm Property Line of Credit.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

18. NON WAIVER

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security or upon the occurrence of an Event of Default shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

19. EVIDENCE OF INDEBTEDNESS

The Bank shall record on its records the amount of all loans made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the true indebtedness secured by the chattel mortgage.

20. ENTIRE AGREEMENTS

This Agreement replaces any previous letter agreements dealing specifically with terms and conditions of the credit facilities described in the Letter. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement, are the entire agreements relating to the Facilities described in this Agreement.

21. NON-MERGER

Notwithstanding the execution, delivery or registration of the Bank Security and notwithstanding any advances made pursuant thereto, this Agreement shall continue to be valid, binding and enforceable and shall not merge as a result thereof. Any default under this Agreement shall constitute concurrent default under the Bank Security. Any default under the Bank Security shall constitute concurrent default under this Agreement. In the event of an inconsistency between the terms of this Agreement and the terms of the Bank Security, the terms of this Agreement shall prevail and the inclusion of any term in the Bank Security that is not dealt with in this Agreement shall not be an inconsistency.

22. ASSIGNMENT

The Bank may assign or grant participation in all or part of this Agreement or in any loan 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.

23. RELEASE OF INFORMATION

The Borrower hereby irrevocably authorizes and directs the Borrower's accountant, (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

24. FX CLOSE OUT

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

25. SET-OFF

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the credit of or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the exchange rate determined by the Bank at the time of the conversion.

26. SEVERABILITY

In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, that part will be severed from this Agreement and will not affect the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

27. MISCELLANEOUS

- i) The Borrower has received a signed copy of this Agreement;
- ii) If more than one Person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them;
- iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;
- iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located;
- v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars

28. DEFINITIONS

Capitalized Terms used in this Agreement shall have the following meanings:

"All-In Rate" means the greater of the interest rate that the Borrower pays for Floating Rate Loans or the highest fixed rate paid for Fixed Rate Term Loans.

"Agreement" means the agreement between the Bank and the Borrower set out in the Letter and this Schedule "A" - Standard Terms and Conditions.

"Business Day" means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business.

"Branch/Centre" means The Toronto-Dominion Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

"Contractual Term Maturity Date" means the last day of the Contractual Term period. If the Letter does not set out a specific Contractual Term period but rather refers to a period of time up to which the Contractual Term Maturity Date can occur, the Bank and the Borrower must agree on a Contractual Term Maturity Date before first drawdown, which Contractual Term Maturity Date will be set out in the Rate and Payments Terms Notice.

"Cross Default Threshold" means the cross default threshold set out in the Letter. If no such cross default threshold is set out in the Letter it will be deemed to be zero.

"Face Amount" means, in respect of:

- (i) a B/A, the amount payable to the holder thereof on its maturity;
- (ii) A L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

"Fixed Rate Term Loan" means any drawdown in Canadian dollars under a Facility at an interest rate which is fixed for a Rate Term at such rate as is determined by the Bank at its sole discretion.

"Floating Rate Loan" means any loan drawn down, converted or extended under a Facility at an interest rate which is referenced to a variable rate of interest, such as the Prime Rate.

"Inventory Value" means, at any time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

"Letter" means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

"Letter of Credit" or "L/C" means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

"Letter of Guarantee" or "L/G" means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

"Maturity Date" for a Facility, means the date on which all amounts outstanding under such Facility are due and payable to the Bank.

"Person" includes any individual, sole proprietorship, corporation, partnership, joint venture, trust, unincorporated association, association, institution, entity, party, or government (whether national, federal, provincial, state, municipal, city, county, or otherwise and including any instrumentality, division, agency, body, or department thereof).

"Purchase Money Security Interest" means a security interest on an asset which is granted to a lender or to the seller of such asset in order to secure the purchase price of such asset or a loan incurred to acquire such asset, provided that the amount secured by the security interest does not exceed the cost of the asset and provided that the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

"Rate Term" means that period of time as selected by the Borrower from the options offered to it by the Bank, during which a Fixed Rate Term Loan will bear a particular interest rate. If no Rate Term is selected, the Borrower will be deemed to have selected a Rate Term of 1 year.

"Rate and Payment Terms Notice" means the written notice sent by the Bank to the Borrower setting out the interest rate and payment terms for a particular drawdown.

"Receivable Value" means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by Persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the Bank may from time to time designate in its sole discretion, (iv) those accounts subject to any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the total amount of all claims, liens, or encumbrances on those receivables having or purporting to have priority over the Bank.

"Receivables/Inventory Summary" means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by a senior officer/representative of the Borrower.

"US\$" or "USD Equivalent" means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the exchange rate determined by the Bank at the time of the conversion.



Midtown
2 St Clair Ave E Suite 500
Toronto, ON
M4T 2T5
Telephone No.: (647) 625 -6217
Fax No.: (416) 961 3124

May 17, 2022

CANCOM SECURITY INC.

Attention: Ronald Keith Wells Jr.

Dear Mr. Wells,

We are pleased to offer the Borrower the following credit facilities (the "Facilities"), subject to the following terms and conditions.

BORROWER

CANCOM SECURITY INC. (the "Borrower")

LENDER

The Toronto-Dominion Bank (the "Bank"), through its Midtown branch, in Toronto, ON.

CREDIT LIMIT

- 1) The lesser of:
 - i) CAD\$1,750,000, AND
 - ii) the TOTAL of 75% of the Receivable Value less accounts receivable over 90 days, related accounts, contra accounts and Priority Claims.
- 2) CAD\$7,677 as reduced pursuant to the section headed "Repayment and Reduction of Amount of Credit Facility".
- 3) CAD\$15,118 as reduced pursuant to the section headed "Repayment and Reduction of Amount of Credit Facility".
- 4) CAD\$1,200,000

TYPE OF CREDIT AND BORROWING OPTIONS

- 1) **Operating Loan** available at the Borrower's option by way of:
 - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")

- Letters of Credit in CAD\$ or USD\$ ("L/Cs")

- 2, 3) **Committed Reducing Term Facility (Single Draw)** available at the Borrower's option by way of:
 - Fixed Rate Term Loan in CAD\$
 - Floating Rate Term Loan available by way of:
 - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")

4) **As per TDEF Credit Addendum**

PURPOSE

- 1) To finance working capital requirements with L/C availability.
- 2) To take over existing Promissory Note
- 3) To take over existing TD SBB loans
- 4) TDEF LOC for the purchase of standard make and model vehicles for security services and patrol.

TENOR

- 1, 4) Uncommitted
- 2, 3) Committed

CONTRACTUAL TERM

- 1) No term
- 2, 3) 36 month(s) from the date of drawdown
- 4) No term

RATE TERM (FIXED RATE TERM LOAN)

- 2, 3) Fixed rate: 6 month, 12-60 months but never to exceed the Contractual Term Maturity Date
- 2, 3) Floating rate: No term

AMORTIZATION

- 2) 36 month(s)
- 3) 36 month(s)

INTEREST RATES AND FEES

Advances shall bear interest and fees as follows:

- 1) **Operating Loan:**
 - Prime Based Loans: Prime Rate + 1.500% per annum
 - L/Cs: As advised by the Bank at the time of issuance of the L/C

2, 3) **Committed Reducing Term Facility:**

- Fixed Rate Term Loans: as determined by the Bank, in its sole discretion, for the Rate Term selected by the Borrower, and as set out in the Rate and Payment Terms Notice applicable to that Fixed Rate Term Loan.
- Floating Rate Term Loans available by way of:
 - Prime Based Loans: Prime Rate + 1.500% per annum

4) **Operating Loan:**

- As per TDEF Credit Addendum

For all Facilities, interest payments will be made in accordance with Schedule "A" attached hereto unless otherwise stated in this Letter or in the Rate and Payment Terms Notice applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A" attached hereto.

ARRANGEMENT FEE

The Borrower has paid or will pay prior to any drawdown hereunder a non-refundable arrangement fee of CAD\$1,500.

ADMINISTRATION FEE

CAD\$100 per month.

RENEWAL FEE

CAD\$1,500 per annum.

EXCESS MONITORING FEE

The Borrower may, at the Bank's discretion, be charged an Excess Monitoring Fee of \$250, payable in the currency of the Facility, each time that the Credit Limit of a Facility is exceeded. Any extension of credit above the Credit Limit will be at the Bank's sole and absolute discretion.

DRAWDOWN**Assigned Facilities****Description**

- 1) Borrower can use the Facility on a revolving basis.
L/C availability up to \$293,000.
- 2) Fully drawn on July 19, 2020
- 3) One time drawdown prior to match the outstanding balance of the three outstanding loans with TD Small Business Banking, after which time, any amount not drawn is cancelled. Amounts repaid may not be redrawn. Three outstanding loans with TD Small Business Banking include: LON#9235879-02-1885, LON#9235879-03-1993, and LON#9235879-04-1993.

Fully drawn on July 19, 2019

- 4) As per TDEF Credit Addendum.

Each drawdown under 2, and 3 will be a "tranche" and each tranche will bear its own interest rate and repayment terms as set out in the Rate and Payment Terms Notice delivered by the Bank to the Borrower in respect of that drawdown.

Notice periods, minimum amounts of draws, interest periods and contract maturity for LIBOR Loans, terms for Banker's Acceptances and other similar details are set out in the Schedule "A" attached hereto.

BUSINESS CREDIT SERVICE

The Borrower will have access to the Operating Loan (Facility 1) via Loan Account Number 1956-9235879-1885 (the "Loan Account") up to the Credit Limit of the Operating Loan by withdrawing funds from the Borrower's Current Account Number 1885-5235879 (the "Current Account"). The Borrower agrees that each advance from the Loan Account will be in an amount equal to \$5,000 (the "Transfer Amount") or a multiple thereof. If the Transfer Amount is NIL, the Borrower agrees that an advance from the Borrower's Loan Account may be in an amount sufficient to cover the debits made to the Current Account.

The Borrower agrees that:

- a) all other overdraft privileges which have governed the Borrower's Current Account are hereby cancelled.
- b) all outstanding overdraft amounts under any such other agreements are now included in indebtedness under this Agreement.

The Bank may, but is not required to, automatically advance the Transfer Amount or a multiple thereof or any other amount from the Loan Account to the Current Account in order to cover the debits made to the Current Account if the amount in the Current Account is insufficient to cover the debits. The Bank may, but is not required to, automatically and without notice apply the funds in the Current Account in amounts equal to the Transfer Amount or any multiple thereof or any other amount to repay the outstanding amount in the Loan Account.

REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY

Assigned Facilities	Description
----------------------------	--------------------

- | | |
|-------|---|
| 1) | On demand. If the Bank demands repayment, the Borrower will pay to the Bank all amounts outstanding under the Operating Loan, including without limitation, the amount of all unmatured B/As and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All costs to the Bank and all loss suffered by the Bank in re-employing the amounts so repaid will be paid by the Borrower. |
| 2, 3) | All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. The drawdown will be repaid in equal monthly payments. The details of repayment and interest rate applicable to such drawdown will be set out in the "Rate and Payment Terms Notice" applicable to that drawdown. Any amounts repaid may not be reborrowed. |
| 4) | As per TDEF Credit Addendum. |

PREPAYMENT

Assigned Facilities	Description
----------------------------	--------------------

- | | |
|-------|---|
| 2, 3) | The Borrower may select the 10% Prepayment Option and accordingly, Fixed Rate Term Loans under this Facility may be prepaid in accordance with Section 4a) and 4b) of Schedule A. |
|-------|---|

SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

- a) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property, including without limitation the following equipment:
 - On hand.
- b) Assignment (or evidence) of Fire Insurance in the amount of CAD \$1.
 - On hand.
- c) Unlimited Guarantee of Advances executed by Ronald K Wells (the "Guarantor")
 - On hand.
- d) Unlimited Guarantee of Advances executed by Ronald Keith Wells Sr
 - On hand.
- e) Postponement and Assignment of Creditor's Claim executed by RONALD K WELLS.

Postponement and Assignment of Creditor's Claim executed by RONALD K WELLS in the amount of CAD \$170,000.

 - On hand.
- f) Security Agreement for Specified Assets representing a First charge.
 - To Be Obtained

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

DISBURSEMENT CONDITIONS

- | Assigned Facilities | Description |
|----------------------------|--|
| 1) | All security and documentation to be on hand and in good order. |
| 4) | Standard drawdown terms as outlined in the TDEF Credit Addendum. |

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A".

REPRESENTATIONS AND WARRANTIES

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in Schedule "A".

POSITIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A" and in addition will:

Assigned Facilities	Description
All)	The Borrower is to maintain bank accounts at TD. All Revenues and Expenses to flow through the account.

NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A".

REPORTING COVENANTS

- a) Provide Annual notice to reader financial statements within 120 calendar days of fiscal year end.
- b) Provide monthly Aged Receivables/Inventory Summary and Accounts Payable Listing within 45 calendar days after each month end.
- c) Delivery of a Personal Financial Statement and Privacy Agreement from the Guarantors and such supporting documentation as the Bank may reasonably request, minimum every three years.

FINANCIAL COVENANTS

The Borrower agrees at all times to:

Assigned Facilities	Description
All)	Maintain a Debt Service Coverage ratio (DSC) of not less than 120% to be maintained at all times.

The DSC is calculated as follows:

(Earnings before Interest, Taxes, Depreciation, and Amortization - Capital Expenditures - Dividends / (Principal + Interest)

- 1) Ensure outstanding advances under Facility #1, including the face amount of any outstanding undrawn L/Cs, L/Gs, unmatured B/As, LIBOR Loans will be at all times the lesser of:
 - (a) CDN\$1,750,000 and,
 - (b) the total of:
 - (i) 75% of the Receivable Value less accounts receivable over 90 days, related accounts, contra accounts and Priority Claims.

EVENTS OF DEFAULT

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one

of the Standard Events of Default contained in Schedule "A" attached hereto.

ANCILLARY FACILITIES

As at the date of this Agreement, the following uncommitted ancillary products are made available. These products may be subject to other agreements.

- 1) TD Visa Business card (or cards) for an aggregate amount of \$100,000.

AVAILABILITY OF OPERATING LOAN

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

LANGUAGE PREFERENCE

This Agreement has been drawn up in the English language at the request of all parties. (Cet acte a été rédigé en langue anglaise à la demande de toutes les parties.)

SCHEDULE "A" - STANDARD TERMS AND CONDITIONS

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before **June 15, 2022.**

Yours truly,

THE TORONTO-DOMINION BANK



Sameer Bawa
Account Manager



Dave Lovett
Senior Manager, Commercial
Services

TO THE TORONTO-DOMINION BANK:

CANCOM SECURITY INC. hereby accepts the foregoing offer this _____ day of _____, 2022. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.

Signature

Print Name & Position

cc. Guarantor(s)

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

SCHEDULE A
STANDARD TERMS AND CONDITIONS

1. INTEREST RATE DEFINITIONS

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

The Stamping Fee rate per annum for CDN\$ B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for US\$ B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

CDOR means, for any day, the annual rate for B/As denominated in Canadian Dollars for a specified term that appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, then on the immediately preceding Business Day).

LIBOR means the rate of interest per annum (based on a 360 day year) as determined by the Bank (rounded upwards, if necessary to the nearest whole multiple of 1/16th of 1%) at which the Bank may make available United States dollars which are obtained by the Bank in the Interbank Euro Currency Market, London, England at approximately 11:00 a.m. (Toronto time) on the second Business Day before the first day of, and in an amount similar to, and for the period similar to the interest period of, such advance.

USBR means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

Interest rates will never be less than zero. If Prime Rate, CDOR, LIBOR, USBR or any other applicable base rate changes, resulting in a variable or floating annual interest rate that is a negative number, the interest rate will be 0.00%.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

2. INTEREST CALCULATION AND PAYMENT

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year.

The Stamping Fee is calculated based on the amount and the term of the B/A and is payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CDN\$ B/As or US\$ B/As as the case may be, for the specified term of the B/A less the B/A Stamping Fee. If the B/A discount rate (or the rate used to determine the B/A discount rate) is less than zero, it shall instead be deemed to be zero for purposes of this Agreement.

Interest on LIBOR Loans and CDOR Loans is calculated and payable on the earlier of contract maturity or quarterly in arrears, for the number of days in the LIBOR or CDOR interest period, as applicable.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on Fixed Rate Term Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of principal.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at the Bank's standard rate charged from time to time for overdrafts, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

3. DRAWDOWN PROVISIONS

Prime Based and USBR Loans

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in this Agreement. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over \$1,000,000.

B/As

The Borrower shall advise the Bank of the requested term or maturity date for B/As issued hereunder. The Bank shall have the discretion to restrict the term or maturity dates of B/As. In no event shall the term of the B/A exceed the Contractual Term Maturity Date or Maturity Date, as applicable. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of B/As is \$1,000,000 and in multiples of \$100,000 thereafter. The Borrower shall provide the Bank with 3 Business Days' notice of a requested B/A drawdown.

The Borrower shall pay to the Bank the full amount of the B/A at the maturity date of the B/A.

The Borrower appoints the Bank as its attorney to and authorizes the Bank to (i) complete, sign, endorse, negotiate and deliver B/As on behalf of the Borrower in handwritten form, or by facsimile or mechanical signature or otherwise, (ii) accept such B/As, and (iii) purchase, discount, and/or negotiate B/As.

LIBOR and CDOR

The Borrower shall advise the Bank of the requested LIBOR or CDOR contract maturity or interest period. The Bank shall have the discretion to restrict the LIBOR or CDOR contract maturity. In no event shall the term of the LIBOR or CDOR contract exceed the Contractual Term Maturity Date or Maturity Date, as applicable. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of a LIBOR Loan or a CDOR Loan is \$1,000,000, and shall be in multiples of \$100,000 thereafter. The Borrower will provide the Bank with 3 Business Days' notice of a requested LIBOR Loan or CDOR Loan.

L/C and/or L/G

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

B/A, LIBOR and CDOR - Conversion

Any portion of any B/A, LIBOR or CDOR Loan that is not repaid, rolled over or converted in accordance with the applicable notice requirements hereunder shall be converted by the Bank to a Prime Based Loan effective as of the maturity date of the B/A or the last day in the interest period of the LIBOR or CDOR contract, as applicable. The Bank may charge interest on the amount of the Prime Based Loan at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

B/A, LIBOR and CDOR – Market Disruption

If the Bank determines, in its sole discretion, that a normal market in Canada for the purchase and sale of B/As or the making of CDOR or LIBOR Loans does not exist, any right of the Borrower to request a drawdown under the applicable borrowing option shall be suspended until the Bank advises otherwise. Any drawdown request for B/As, LIBOR or CDOR Loans, as applicable, during the suspension period shall be deemed to be a drawdown notice requesting a Prime Based Loan in an equivalent amount.

LIBOR Discontinuation

On the earliest of:

- (a) the date that the administrator of LIBOR has permanently or indefinitely ceased to make LIBOR available;
- (b) the governmental authority having jurisdiction over the administrator of LIBOR has made a public statement or publication of information announcing LIBOR is no longer representative; and
- (c) the Early Opt-in Effective Date,

the LIBOR Successor Rate will replace LIBOR for all purposes hereunder and under any other documents (other than any swap agreement, but including any other Bank Security) required in connection herewith, in respect of any interest period and contract maturity of such benchmark on such day and all subsequent interest periods and contract maturities without any amendment to, or further action or consent of any party to this Agreement. If the LIBOR Successor Rate is Daily Simple SOFR, all interest payments will be payable on a monthly basis unless otherwise agreed by the Bank. Notwithstanding anything else herein, any definition of the LIBOR Successor Rate (exclusive of any margin) shall provide that in no event shall such LIBOR Successor Rate be less than zero for the purposes of this Agreement.

The Bank does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to LIBOR or the LIBOR Successor Rate including without limitation, whether the composition or characteristics of the LIBOR Successor Rate, will be similar to, or produce the same value or economic equivalence of, LIBOR or have the same volume or liquidity as did LIBOR prior to its discontinuance or unavailability.

In connection with the implementation and administration of the LIBOR Successor Rate, the Bank will have the right to make LIBOR Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary in this Agreement or in any Bank Security or other document provided in connection herewith, any amendments implementing such LIBOR Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

The Bank will promptly notify the Borrower of (i) the occurrence of an Early Opt-in Election, (ii) the implementation of the LIBOR Successor Rate and (iii) the effectiveness of any LIBOR Replacement Conforming Changes. Any determination, decision or election that may be made by the Bank pursuant to this Section, including any determination with respect to a interest period, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action,

will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section.

Cash Management

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit even if the drawdown results in amounts outstanding in excess of the Credit Limit.

Notice

Prior to each drawdown under a Fixed Rate Term Loan, other than a Long Term Farm Loan, an Agriculture Term Loan, a Canadian Agricultural Loans Act Loan, a Dairy Term Loan or a Poultry Term Loan and at least 10 days prior to the maturity of each Rate Term, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of BA, CDOR, or LIBOR Loan or under the operating loan, send a Rate and Payment Terms Notice to the Borrower.

4. PREPAYMENT

Fixed Rate Term Loans

10% Prepayment Option Chosen.

- (a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Fixed Rate Term Loan not exceeding 10% of the original amount of the Fixed Rate Term Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.
- (b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Fixed Rate Term Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
 - i) three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
 - ii) the Yield Maintenance, being the difference between:
 - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
 - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of a Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

10% Prepayment Option Not Chosen.

- (c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:

- i) three months' interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
- ii) the Yield Maintenance, being the difference between:
 - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
 - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity of the Rate Term when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

Floating Rate Term Loans

The Borrower may prepay the whole or any part of the principal outstanding under a Floating Rate Term Loan, at any time without the payment of prepayment charges.

5. STANDARD DISBURSEMENT CONDITIONS

The obligation of the Bank to permit any drawdowns hereunder at any time is subject to the following conditions precedent:

- a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:
 - i) A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
 - ii) A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
 - iii) All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
 - iv) The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
 - v) All operation of account documentation; and
 - vi) For drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement
- b) The representations and warranties contained in this Agreement are correct.
- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.
- d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

6. STANDARD REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, that:

- a) The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.

- b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.
- c) No Event of Default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement or which would constitute a default under any other agreement.
- d) There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
- e) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.
- f) The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.
- g) All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and workers' compensation dues are currently paid and up to date.
- h) If the Bank Security includes a charge on real property, the Borrower or Guarantor, as applicable, is the legal and beneficial owner of the real property with good and marketable title in fee simple thereto, free from all easements, rights-of-way, agreements, restrictions, mortgages, liens, executions and other encumbrances, save and except for those approved by the Bank in writing.
- i) All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
 - i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
 - ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
 - iii) the Borrower's ownership, control and structure.

7. STANDARD POSITIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will, and will ensure that its subsidiaries and each of the Guarantors will:

- a) Pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower.
- b) Advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender.
- c) Advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Borrower or the occurrence of any Event of Default or default under this Agreement or under any other agreement for borrowed money.
- d) Do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.
- e) Take all necessary actions to ensure that the Bank Security and its obligations hereunder will rank ahead of all other indebtedness of and all other security granted by the Borrower.

- f) Pay all taxes, assessments and government charges unless such taxes, assessments, or charges are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.
- g) Provide the Bank with information and financial data as it may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty in Section 6(i).
- h) Maintain property, plant and equipment in good repair and working condition.
- i) Inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Borrower.
- j) Provide such additional security and documentation as may be required from time to time by the Bank or its solicitors.
- k) Continue to carry on the business currently being carried on by the Borrower its subsidiaries and each of the Guarantors at the date hereof.
- l) Maintain adequate insurance on all of its assets, undertakings, and business risks.
- m) Permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom.
- n) Comply with all applicable laws.

8. STANDARD NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

- a) Create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its assets or undertakings, now owned or hereafter acquired, except for those Permitted Liens, if any, set out in the Letter.
- b) Create, incur, assume or suffer to exist any other indebtedness for borrowed money (except for indebtedness resulting from Permitted Liens, if any) or guarantee or act as surety or agree to indemnify the debts of any other Person.
- c) Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.
- d) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables and leasehold interests), except for inventory disposed of in the ordinary course of business.
- e) Terminate or enter into a surrender of any lease of any property mortgaged under the Bank Security.
- f) Cease to carry on the business currently being carried on by each of the Borrower, its subsidiaries, and the Guarantors at the date hereof.
- g) Permit any change of ownership or change in the capital structure of the Borrower.

9. ENVIRONMENTAL

The Borrower represents and warrants (which representation and warranty shall continue throughout the term of this Agreement) that the business of the Borrower, its subsidiaries and each of the Guarantors is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The Borrower shall, at the request of the Bank from time to time, and at the Borrower's expense, obtain and provide to the Bank an environmental audit or inspection report of the property from auditors or inspectors acceptable to the Bank.

The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security.

10. STANDARD EVENTS OF DEFAULT

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the following Events of Default:

- a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees outstanding under this Agreement within 3 Business Days of when due.
- b) If any representation, warranty or statement made hereunder or made in connection with the execution and delivery of this Agreement or the Bank Security is false or misleading at any time.
- c) If any representation or warranty made or information provided by the Guarantor to the Bank from time to time, including without limitation, under or in connection with the Personal Financial Statement and Privacy Agreement provided by the Guarantor, is false or misleading at any time.
- d) If there is a breach or non-performance or non-observance of any term or condition of this Agreement or the Bank Security and, if such default is capable to being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- e) If the Borrower, any one of its subsidiaries, or, if any of the Guarantors makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any of the Guarantors or if the Borrower, any of its subsidiaries, or any of the Guarantors is insolvent or declared bankrupt.
- f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of its subsidiaries, or any of the Guarantors.
- g) If action is taken by an encumbrancer against the Borrower, any of its subsidiaries, or any of the Guarantors to take possession of property or enforce proceedings against any assets.
- h) If any final judgment for the payment of monies is made against the Borrower, any of its subsidiaries, or any of the Guarantors and it is not discharged within 30 days from the imposition of such judgment.
- i) If there exists an event, the effect of which with lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower, any of its subsidiaries, or any of the Guarantors.
- j) If the Borrower, any one of its subsidiaries, or any of the Guarantors default under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.
- k) If the Bank Security is not enforceable or if any party to the Bank Security shall dispute or deny any liability or any of its obligations under the Bank Security, or if any Guarantor terminates a guarantee in respect of future advances.
- l) If, in the Bank's determination, a material adverse change occurs in the financial condition, business operations or prospects of the Borrower, any of the Borrower's subsidiaries, or any of the Guarantors.
- m) If the Borrower or a Guarantor is an individual, the Borrower or such Guarantor dies or is found by a court to be incapable of managing his or her affairs.

11. ACCELERATION

If the Bank accelerates the payment of principal and interest hereunder, the Borrower shall immediately pay to the Bank all amounts outstanding hereunder, including without limitation, the amount of unmatured B/As, CDOR and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All cost to the Bank of unwinding CDOR and LIBOR Loans and all loss suffered by the Bank in re-employing amounts repaid will be paid by the Borrower.

The Bank may demand the payment of principal and interest under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) hereunder and cancel any undrawn portion of the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) hereunder, at any time whether or not an Event of Default has occurred.

12. INDEMNITY

The Borrower agrees to indemnify the Bank from and against any and all claims, losses and liabilities arising or resulting from this Agreement. US\$ loans must be repaid with US\$ and CDN\$ loans must be repaid with CDN\$ and the Borrower shall indemnify the Bank for any loss suffered by the Bank if US\$ loans are repaid with CDN\$ or vice versa, whether such payment is made pursuant to an order of a court or otherwise. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement.

13. TAXATION ON PAYMENTS

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower, shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

14. REPRESENTATION

No representation or warranty or other statement made by the Bank concerning any of the Facilities shall be binding on the Bank unless made by it in writing as a specific amendment to this Agreement.

15. CHANGING THE AGREEMENT

- a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.
- b) Changes to the Agreement, other than as described in a) above, including changes to covenants and fees payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.
- c) The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit.

16. ADDED COST

If the introduction of or any change in any present or future law, regulation, treaty, official or unofficial directive, or regulatory requirement, (whether or not having the force of law) or in the interpretation or application thereof, relates to:

- i) the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any Facility or loan made available hereunder; or,

- ii) any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,
- iii) the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder;

and the result of such occurrence is, in the sole determination of the Bank, to increase the cost of the Bank or to reduce the income received or receivable by the Bank hereunder, the Borrower shall, on demand by the Bank, pay to the Bank that amount which the Bank estimates will compensate it for such additional cost or reduction in income and the Bank's estimate shall be conclusive, absent manifest error.

17. EXPENSES

The Borrower shall pay, within 5 Business Days following notification, all fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration and ongoing administration of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited, to all outside counsel fees and expenses and all in-house legal fees and expenses, if in-house counsel are used, and all outside professional advisory fees and expenses. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 25, the Bank or the Bank's agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including the registration fee in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Operating Loan, the Agriculture Operating Line or Farm Property Line of Credit.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

18. NON WAIVER

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security or upon the occurrence of an Event of Default shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

19. EVIDENCE OF INDEBTEDNESS

The Bank shall record on its records the amount of all loans made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the true indebtedness secured by the chattel mortgage.

20. ENTIRE AGREEMENTS

This Agreement replaces any previous letter agreements dealing specifically with terms and conditions of the credit facilities described in the Letter. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement, are the entire agreements relating to the Facilities described in this Agreement.

21. NON-MERGER

Notwithstanding the execution, delivery or registration of the Bank Security and notwithstanding any advances made pursuant thereto, this Agreement shall continue to be valid, binding and enforceable and shall not merge as a result thereof. Any default under this Agreement shall constitute concurrent default under the Bank Security. Any default under the Bank Security shall constitute concurrent default under this Agreement. In the event of an inconsistency between the terms of this Agreement and the terms of the Bank Security, the terms of this Agreement shall prevail and the inclusion of any term in the Bank Security that is not dealt with in this Agreement shall not be an inconsistency.

22. ASSIGNMENT

The Bank may assign or grant participation in all or part of this Agreement or in any loan 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.

23. RELEASE OF INFORMATION

The Borrower hereby irrevocably authorizes and directs the Borrower's accountant, (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

24. FX CLOSE OUT

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

25. SET-OFF

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the credit of or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the exchange rate determined by the Bank at the time of the conversion.

26. SEVERABILITY

In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, that part will be severed from this Agreement and will not affect the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

27. MISCELLANEOUS

- i) The Borrower has received a signed copy of this Agreement;
- ii) If more than one Person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them;
- iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;
- iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located;
- v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars.

28. DEFINITIONS

Capitalized Terms used in this Agreement shall have the following meanings:

"Agreement" means the agreement between the Bank and the Borrower set out in the Letter and this Schedule "A" - Standard Terms and Conditions.

"All-In Rate" means the greater of the interest rates that the Borrower pays for Floating Rate Loans or the highest fixed rate paid for Fixed Rate Term Loans.

"Business Day" means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business.

"Branch/Centre" means The Toronto-Dominion Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

"Contractual Term Maturity Date" means the last day of the Contractual Term period. If the Letter does not set out a specific Contractual Term period but rather refers to a period of time up to which the Contractual Term Maturity Date can occur, the Bank and the Borrower must agree on a Contractual Term Maturity Date before first drawdown, which Contractual Term Maturity Date will be set out in the Rate and Payments Terms Notice.

"Cross Default Threshold" means the cross default threshold set out in the Letter. If no such cross default threshold is set out in the Letter it will be deemed to be zero.

"Face Amount" means, in respect of:

- (i) a B/A, the amount payable to the holder thereof on its maturity;
- (ii) A L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback being established by the Bank in accordance with the conventions for this rate recommended by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto, for determining "Daily Simple SOFR" for bilateral business loans; provided, that if the Bank decides that any such convention is not administratively feasible for the Bank, then the Bank may establish another convention in its reasonable discretion.

"Early Opt-in Effective Date" means, with respect to any Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Borrower.

"Early Opt-in Election" means the occurrence of:

- (i) a determination by the Bank that at least five currently outstanding U.S. dollar-denominated syndicated or bilateral credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate, and
- (ii) the election by the Bank to trigger a fallback from LIBOR and the provision by the Bank of written notice of such election to the Borrower.

"Fixed Rate Term Loan" means any drawdown in Canadian dollars under a Facility at an interest rate which is fixed for a Rate Term at such rate as is determined by the Bank at its sole discretion.

"Floating Rate Loan" means any loan drawn down, converted or extended under a Facility at an interest rate which is referenced to a variable rate of interest, such as the Prime Rate.

"Inventory Value" means, at any time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

"Letter" means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

"Letter of Credit" or *"L/C"* means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

"Letter of Guarantee" or *"L/G"* means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

"LIBOR Replacement Conforming Changes" means any technical, administrative or operational changes (including changes to applicable definitions, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Bank decides may be appropriate to reflect the adoption and implementation of the LIBOR Successor Rate and the Bank's administration thereof in a manner substantially consistent with market practice (or, if the Bank decides that adoption of any portion of such market practice is not administratively feasible or determines that no market practice for the administration of the LIBOR Successor Rate exists, in such other manner of administration as the Bank decides is reasonably necessary in connection with the administration of this Agreement and the other documents required hereunder).

"LIBOR Successor Rate" means, for any interest period as of the applicable date of determination, the first alternative set forth below that can be determined by the Bank:

- (i) the sum of: (a) Term SOFR and (b) 0.11448% (11.448 basis points) for an interest period of 1 month, 0.26161% (26.161 basis points) for an interest period of 3 months, and 0.42826% (42.826 basis points) for an interest period of 6 months, or
- (ii) the sum of: (x) Daily Simple SOFR and (y) the spread adjustment selected or recommended by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto, for the replacement of the contract maturity of LIBOR with a SOFR-based rate having approximately the same length as the interest payment period specified in the "LIBOR Discontinuation" clause in Section 3 of this Schedule A.

"Maturity Date" for a Facility, means the date on which all amounts outstanding under such Facility are due and payable to the Bank.

"Person" includes any individual, sole proprietorship, corporation, partnership, joint venture, trust, unincorporated association, association, institution, entity, party, or government (whether national, federal, provincial, state, municipal, city, county, or otherwise and including any instrumentality, division, agency, body, or department thereof).

"Purchase Money Security Interest" means a security interest on an asset which is granted to a lender or to the seller of such asset in order to secure the purchase price of such asset or a loan incurred to acquire such asset, provided that the amount secured by the security interest does not exceed the cost of the asset and provided that the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

"Rate Term" means that period of time as selected by the Borrower from the options offered to it by the Bank, during which a Fixed Rate Term Loan will bear a particular interest rate. If no Rate Term is selected, the Borrower will be deemed to have selected a Rate Term of 1 year.

"Rate and Payment Terms Notice" means the written notice sent by the Bank to the Borrower setting out the interest rate and payment terms for a particular drawdown.

"Receivable Value" means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by Persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the Bank may from time to time designate in its sole discretion, (iv) those accounts subject to any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the total amount of all claims, liens, or encumbrances on those receivables having or purporting to have priority over the Bank.

"Receivables/Inventory Summary" means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by a senior officer/representative of the Borrower.

"SOFR" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org> (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured financing rate from time to time), on the immediately succeeding Business Day.

"Term SOFR" means, for the applicable corresponding interest period, the forward-looking term rate based on SOFR that has been selected or recommended by the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

"US\$" or "USD Equivalent" means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the exchange rate determined by the Bank at the time of the conversion.



Midtown Commercial Banking Centre
2 St Clair Ave E Suite 500
Toronto, ON M4T 2T5
Telephone No.: (647) 625 -6217
Fax No.: (416) 961 3124

March 07, 2024

CANCOM SECURITY INC.
1183 Finch Ave W, Unit 205
North York, ON M3J 2G2

Attention: Ronald Keith Wells Jr.

Dear Mr. Wells,

LETTER OF AGREEMENT

We are pleased to offer the Borrower the following credit facilities (the "Facilities"), subject to the following terms and conditions.

BORROWER

CANCOM SECURITY INC. (the "Borrower")

LENDER

The Toronto-Dominion Bank (the "Bank"), through its Midtown branch, in Toronto, ON.

CREDIT LIMIT

- 1) The lesser of:
 - i) CAD\$1,750,000, AND
 - ii) the TOTAL of 75% of the Receivable Value less accounts receivable over 90 days, related accounts, contra accounts and Priority Claims.
- 2) CAD\$ 292,417

TYPE OF CREDIT AND BORROWING OPTIONS

- 1) Operating Loan available at the Borrower's option by way of:
 - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")
 - Letters of Credit in CAD\$ or USD\$ ("L/Cs")
- 2) Domestic Letter of Credit

PURPOSE

- 1) To finance working capital requirements with L/C availability.
- 2) To issue L/C in favor of "Royal Embassy of Saudi Arabia in Ottawa" with an expiry of 5 Years.

TENOR

- 1) Uncommitted
- 2) Uncommitted

CONTRACTUAL TERM

- 1) No term
- 2) No term

INTEREST RATES AND FEES

Advances shall bear interest and fees as follows:

- 1) Operating Loan:
 - Prime Based Loans: Prime Rate + 1.500% per annum
 - L/Cs: As advised by the Bank at the time of issuance of the L/C
- 2) Letter of Credit + 1.75%

For all Facilities, interest payments will be made in accordance with Schedule "A" attached hereto unless otherwise stated in this Letter Agreement, or in the Rate and Payment Terms Notice or other notice delivered by the Bank to the Borrower applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A" attached hereto.

Interest rate periods for Term CORRA Loans under the Operating Loan are 1 and 3 months and interest rate periods for Term SOFR Loans under the Operating Loan are 1, 3 and 6 months. For purposes of certainty, Term CORRA Loans and Term SOFR Loans under the Operating Loan, are not committed term facilities and are uncommitted, repayable on demand and cancellable at any time in the Bank's sole discretion. The reference to "Term" in Term CORRA Loans and Term SOFR Loans under the Operating Loan refers to the applicable benchmark interest rate.

ADMINISTRATION FEE

CAD\$100 per month.

RENEWAL FEE

CAD\$1,500 per annum.

EXCESS MONITORING FEE

The Borrower shall pay, unless waived by the Bank in the Bank's sole discretion, an Excess Monitoring Fee of \$350.00, payable in the currency of the Facility, each time that the Credit Limit of a Facility is exceeded. Any extension of credit above the Credit Limit will be at the Bank's sole and absolute discretion.

BORROWING BASE DEFAULT FEE

The Borrower shall pay, unless waived by the Bank in the Bank’s sole discretion, a Borrowing Base Default Fee of \$500.00, payable in the currency of the Facility, each time a default of the Borrowing Base established for the Facility is not rectified in the reporting period that immediately follows. Any tolerance of a Borrowing Base default will be at the Bank’s sole and absolute discretion.

LATE REPORTING FEE

The Borrower shall pay, unless waived by the Bank in the Bank’s sole discretion, a Late Reporting Fee of \$350.00 per occurrence, and monthly thereafter until reporting is provided to the Bank, each time financial reporting is not provided within the timelines established in the Positive Covenants and Reporting Covenants.

DISCHARGE FEE

The Borrower shall pay, unless waived by the Bank in the Bank’s sole discretion, a Discharge Fee of \$260.00 per collateral charge to prepare the documents needed to register the discharge of any collateral charge under the Bank Security, in addition to the applicable government fee(s) for registering each discharge.

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Assigned Facilities	Description
1)	Borrower can use the Facility on a revolving basis.

BUSINESS CREDIT SERVICE

The Borrower will have access to the Operating Loan (Facility 1) via Loan Account Number 1956-9235879-1885 (the "Loan Account") up to the Credit Limit of the Operating Loan by withdrawing funds from the Borrower's Current Account Number 1885-5235879 (the "Current Account"). The Borrower agrees that each advance from the Loan Account will be in an amount equal to \$5,000 (the "Transfer Amount") or a multiple thereof. If the Transfer Amount is NIL, the Borrower agrees that an advance from the Borrower's Loan Account may be in an amount sufficient to cover the debits made to the Current Account.

The Borrower agrees that:

- a) all other overdraft privileges which have governed the Borrower's Current Account are hereby cancelled.
- b) all outstanding overdraft amounts under any such other agreements are now included in indebtedness under this Agreement.

The Bank may, but is not required to, automatically advance the Transfer Amount or a multiple thereof or any other amount from the Loan Account to the Current Account in order to cover the debits made to the Current Account if the amount in the Current Account is insufficient to cover the debits. The Bank may, but is not required to, automatically and without notice apply the funds in the Current Account in amounts equal to the Transfer Amount or any multiple thereof or any other amount to repay the outstanding amount in the Loan Account.

REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY

Assigned Facilities	Description
1)	On demand. If the Bank demands repayment, the Borrower will pay to the Bank all amounts

	outstanding under the Operating Loan, including without limitation, the amount of all drawn and undrawn L/Gs and L/Cs. All costs to the Bank and all loss suffered by the Bank in re-employing the amounts so repaid will be paid by the Borrower.
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SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

a)	General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property executed by Cancom Security Inc. On hand.
b)	Assignment of Fire Insurance in an amount satisfactory to the Bank. - On hand.
c)	Unlimited Guarantee of Advances executed by Ronald K Wells (the "Guarantor") - On hand.
d)	Unlimited Guarantee of Advances executed by Ronald Keith Wells Sr (the "Guarantor") - On hand.
e)	Postponement and Assignment of Creditor's Claim executed by RONALD K WELLS. - On hand.
f)	Assignment of Term Deposits and Credit Balances registered in the name of CANCOM SECURITY INC. in the amount of CAD \$292,417. - On hand.

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

DISBURSEMENT CONDITIONS

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A".

REPRESENTATIONS AND WARRANTIES

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in Schedule "A".

POSITIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A" and in addition will:

Assigned Facilities	Description
1)	The Borrower is to maintain bank accounts at TD. All Revenues and Expenses to flow through the account.

NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A".

REPORTING COVENANTS

The Borrower agrees to provide:

Assigned Facilities	Description
All)	Annual notice to reader financial statements within 90 calendar days of fiscal year end
All)	Delivery of a Personal Financial Statement and Privacy Agreement from the Guarantors and such supporting documentation as the Bank may reasonably request, minimum every three years
All)	a Receivables/Inventory Summary and Accounts Payable Listing within 45 calendar days after each month end

The Borrower acknowledges that the financial reporting obligations contained herein, including the submission of the financial statements to the Bank on a timely basis, constitute a material condition precedent to the Bank providing the credit facilities contemplated herein. Should the Borrower fail to fulfill such obligations within the delays set forth herein and such default is not remedied within 10 days from the date of the Bank's written notice to the Borrower setting forth the nature of the default, then the Borrower shall be deemed to have committed an "Event of Default" as hereinafter defined.

Notwithstanding the foregoing, and without prejudice to and under strict reserve thereof, of any rights and recourses the Bank may have in the circumstances, the Bank shall nevertheless have the right to engage, at the Borrower's expense, an independent auditor to examine the Borrower's books, records and physical assets, and perform such tests and analysis and such other verifications as the Bank may, in its sole discretion, determine necessary to assess its loan risk and realizable value of the Security.

FINANCIAL COVENANTS

The Borrower agrees at all times to:

Assigned Facilities	Description
ALL)	Maintain a Debt Service Coverage ratio (DSC) of not less than 120% to be maintained at all times. The DSC is calculated as follows: (Earnings before Interest, Taxes, Depreciation, and Amortization - Capital Expenditures - Dividends / (Principal + Interest)
ALL)	Ensure outstanding advances under Facility #1, including the face amount of any outstanding undrawn L/Cs, L/Gs, will be at all times the lesser of: (a) CDN\$1,750,000 and, (b) the total of: (i) 75% of the Receivable Value less accounts receivable over 90 days, related accounts, contra accounts and Priority Claims.

EVENTS OF DEFAULT

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the Standard Events of Default contained in Schedule "A" attached hereto.

ANCILLARY FACILITIES

As at the date of this Agreement, the following uncommitted ancillary products are made available. These products may be subject to other agreements.

- 1) TD Visa Business card (or cards) for an aggregate amount of \$100,000.

AVAILABILITY OF OPERATING LOAN

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

LANGUAGE PREFERENCE

It is the express wish of the parties that this Agreement and any directly or indirectly related documents be drawn up in English. Les parties ont exprimé la volonté expresse que cette convention et tous les documents s'y rattachant directement ou indirectement soient rédigés en anglais.

SCHEDULE "A" - STANDARD TERMS AND CONDITIONS

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form

part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

AMENDMENTS TO SCHEDULE "A" TERMS AND CONDITIONS

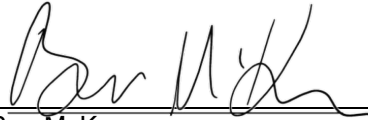
We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before **15, March, 2024.**

Yours truly,

THE TORONTO-DOMINION BANK



Lawrence Lay
Relationship Manager



Ben McKeown
Senior Manager, Commercial Credit

TO THE TORONTO-DOMINION BANK:

CANCOM SECURITY INC. hereby accepts the foregoing offer this 12th day of March, 2024. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.



Signature

Ronald Wells CEO

Print Name & Position

cc. Guarantor(s)

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

SCHEDULE "A" - STANDARD TERMS AND CONDITIONS

1. INTEREST RATE DEFINITIONS

A Term CORRA rate expressed as an annual rate for the purposes of the *Interest Act* (Canada) is equivalent to such determined rate multiplied by the number of days in the calendar year in which the same is to be ascertained and divided by three hundred and sixty-five (365).

A Term SOFR rate expressed as an annual rate for the purposes of the *Interest Act* (Canada) is equivalent to such determined rate multiplied by the number of days in the calendar year in which the same is to be ascertained and divided by three hundred and sixty (360).

Interest rates will never be less than zero. If Prime Rate, Daily Compounded CORRA, Term CORRA, Daily Simple SOFR, Term SOFR, USBR or any other applicable base rate changes, resulting in a variable or floating annual interest rate that is a negative number, the interest rate will be 0.00%. Notwithstanding the foregoing, if a Floating Rate Loan with an interest rate based on Daily Compounded CORRA, Term CORRA, Daily Simple SOFR, or Term SOFR has been hedged in its entirety with an interest rate swap with the Bank (the "Swap") and the Swap does not include a negative interest rate floor, the foregoing negative interest rate floor shall not apply. However, for purposes of certainty, if the Swap is subsequently terminated or novated the restriction that interest rates shall never be less than 0.00% shall apply.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the *Interest Act* (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

The Bank does not warrant or accept responsibility for, and shall not have any liability with respect to the continuation of, administration of, submission of, calculation of or any other matter related to Term CORRA, Daily Compounded CORRA, Daily Simple SOFR, Term SOFR or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto, including whether the composition or characteristics of any such alternative, successor or replacement rate will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, Term CORRA, Daily Compounded CORRA, Daily Simple SOFR, Term SOFR or any other benchmark prior to its discontinuance or unavailability. The Bank and its affiliates or other related entities may engage in transactions that affect the calculation of the Prime Rate, Term CORRA, Daily Compounded CORRA, Daily Simple SOFR, Term SOFR, any alternative, successor or replacement rate or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Bank may select information sources or services in its reasonable discretion to ascertain Term CORRA, Daily Compounded CORRA, Daily Simple SOFR, Term SOFR or any other benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

2. INTEREST CALCULATION AND PAYMENT

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year.

Interest on Daily Compounded CORRA Loans and Daily Simple SOFR Loans is calculated daily (including February 29 in a leap year) and payable on the interest payment date in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice or other form of notice provided by the Bank to the Borrower. Interest is charged on February 29 in a leap year.

Interest on Term SOFR Loans and Term CORRA Loans is calculated and payable at the end of the interest period or contract maturity in arrears, for the number of days in the Term SOFR or Term CORRA interest period, as applicable.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on Fixed Rate Term Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of principal.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at the Bank's standard rate charged from time to time for overdrafts, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

3. DRAWDOWN PROVISIONS

Prime Based and USBR Loans

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in this Agreement. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over \$1,000,000.

Daily Compounded CORRA Loans and Daily Simple SOFR Loans

Except as otherwise stated in this Agreement or agreed to by the Bank, the minimum amount of a drawdown by way of Daily Compounded CORRA Loans is CAD\$1,000,000 and the minimum amount of a drawdown by way of Daily Simple SOFR Loans is USD\$1,000,000. For committed facilities, the Borrower shall advise the Bank of the requested Daily Compounded CORRA Loan or Daily Simple SOFR Loan contract maturity or interest period. In no event shall the term of the Daily Compounded CORRA Loan or Daily Simple SOFR Loan contract under a committed facility exceed the Contractual Term Maturity Date or Maturity Date, as applicable. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Daily Compounded CORRA Loans and Daily Simple SOFR Loans.

Term SOFR Loans and Term CORRA Loans

Except as otherwise stated in this Agreement or agreed to by the Bank, the minimum amount of a drawdown by way of Term CORRA Loans is CAD\$1,000,000 and the minimum amount of a drawdown by way of Term Simple SOFR Loans is USD\$1,000,000.

The Borrower shall advise the Bank of the requested Term SOFR Loan or Term CORRA Loan contract maturity or interest period. In no event shall the term or interest period of a Term SOFR Loan or Term CORRA Loan exceed the Contractual Term Maturity Date or Maturity Date, as applicable. The Borrower will provide the Bank with 3 Business Days' notice of a requested Term SOFR Loan or a Term CORRA Loan.

L/C and/or L/G

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

SOFR and CORRA - Conversion

Any portion of any Term CORRA Loan or Daily Compounded CORRA Loan that is not repaid, rolled over or converted in accordance with the applicable notice requirements hereunder shall be converted by the Bank to a Prime Based Loan effective as of the last day in the interest period or on the interest payment date, as applicable, of the Term CORRA Loan or the Daily Compounded CORRA Loan. The Bank may charge interest on the amount of the Prime Based Loan at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

Any portion of any Term SOFR Loan or Daily Simple SOFR Loan that is not repaid, rolled over or converted in accordance with the applicable notice requirements hereunder shall be converted by the Bank to a USBR Loan effective as of the last day in the interest period or on the interest payment date, as applicable, of the Term SOFR Loan or the Daily Simple SOFR Loan. The Bank may charge interest on the amount of the USBR Loan at the rate of 115% of the rate applicable to USBR Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to USBR Loans.

The Borrower will advise the Bank at least 3 Business Days prior to the maturity of an interest rate period for a Term CORRA Loan or Term SOFR Loan under the Operating Loan as to whether the Term CORRA Loan or Term SOFR Loan will be (i) rolled over for an additional interest rate period of the same duration or (ii) converted to another borrowing option under this Agreement. If the Borrower fails to do so, the Term CORRA Loan or Term SOFR Loan will automatically be converted to a Prime Based Loan for Term CORRA Loans or USBR Loan for Term SOFR Loans at the end of the interest rate period.

SOFR and CORRA – Market Disruption, Benchmark Cessation

If the Bank determines, in its sole discretion, that (i) a normal market in Canada for the making of any or all tenors of Term CORRA Loans or Term SOFR Loans, or for the making of Daily Compounded CORRA Loans or Daily Simple SOFR Loans, does not exist, (ii) Term CORRA, Daily Compounded CORRA, Daily Simple SOFR or Term SOFR cannot be determined in accordance with the definition thereof on any given day, (iii) Term CORRA, Daily Compounded CORRA, Daily Simple SOFR or Term SOFR for any requested interest period with respect to a proposed Term CORRA Loan or Term SOFR Loan does not adequately and fairly reflect the cost to the Bank of making and maintaining such Term CORRA Loan, Daily Compounded CORRA Loan, Daily Simple SOFR Loan or Term SOFR Loan, as applicable, or (iv) a Benchmark Replacement Date has occurred with respect to Term CORRA, Daily Compounded CORRA, Daily Simple SOFR or Term SOFR, any right of the Borrower to request a drawdown (including any rollover or conversion) under the applicable borrowing option shall be suspended until the Bank advises otherwise. Any such drawdown (including any rollover or conversion) request during the suspension period for (i) Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, shall be deemed to be a drawdown notice requesting a Prime Based Loan in an equivalent amount, or (ii) Term SOFR Loans or Daily Simple SOFR Loans, as applicable, shall be deemed to be a drawdown notice requesting a USBR Loan in an equivalent amount.

Cash Management

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Operating Loan or Farm Property Line of Credit to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Operating Loan or Farm Property Line of Credit even if the drawdown results in amounts outstanding in excess of the Credit Limit.

Notice

Prior to each drawdown under a Fixed Rate Term Loan, other than a Long Term Farm Loan, an Agriculture Term Loan, a Canadian Agricultural Loans Act Loan, a Dairy Term Loan or a Poultry Term Loan and at least 10 days prior to the maturity of each Rate Term, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of Daily Compounded CORRA or Daily Simple SOFR Loan or under the operating loan, send a Rate and Payment Terms Notice to the Borrower.

At least 10 days prior to the contract maturity or the last day of the interest period for a Term CORRA Loan, Daily Compounded CORRA Loan, Term SOFR Loan or Daily Simple SOFR Loan, the Borrower will advise the Bank of its election to repay the loan in full; roll over the loan by electing to continue such loan for an additional interest period for the same tenor as the initial period, and thereafter, each successive period, (subject to availability hereunder); or convert the loan to another interest rate type and term available under this Letter Agreement. In no event shall the term of any Term CORRA Loan, Daily Compounded CORRA Loan, Term SOFR Loan or Daily Simple SOFR Loan exceed the Contractual Term Maturity Date or Maturity Date, as applicable. The Bank will, after each drawdown or election hereunder with respect to a Term CORRA Loan, Daily Compounded CORRA Loan, Term SOFR Loan or Daily Simple SOFR Loan, send a Rate and Payment Terms Notice or other noticed delivered by the Bank to the Borrower.

4. PREPAYMENT**Fixed Rate Term Loans****10% Prepayment Option Chosen.**

- (a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Fixed Rate Term Loan not exceeding 10% of the original amount of the Fixed Rate Term Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.
- (b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Fixed Rate Term Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
 - i) three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
 - ii) the Yield Maintenance, being the difference between:
 - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
 - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of a Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

10% Prepayment Option Not Chosen.

- (c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
- i) three months' interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
 - ii) the Yield Maintenance, being the difference between:
 - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
 - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity of the Rate Term when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

Term CORRA Loans and Term SOFR Loans

The Borrower may prepay the whole or any part the principal outstanding under a Term CORRA Loan or Term SOFR Loan at any time upon payment of all interest accrued to the date of the prepayment, all costs to the Bank in unwinding the Term CORRA Loan or Term SOFR Loan and any loss suffered by the Bank in re-employing the amounts so repaid.

Floating Rate Term Loans

The Borrower may prepay the whole or any part of the principal outstanding under a Floating Rate Term Loan, other than Daily Compounded CORRA Loans and Daily Simple SOFR Loans, at any time upon payment of all accrued interest to the date of the prepayment without the payment of prepayment charges.

The Borrower may prepay the whole or any part of the principal outstanding under a Daily Compounded CORRA Loan and Daily Simple SOFR Loan at any time upon payment of all accrued interest to the date of the prepayment, costs to the Bank of unwinding the Daily Compounded CORRA Loan or Daily Simple SOFR Loan and any loss suffered by the Bank in re-employing amounts repaid.

5. STANDARD DISBURSEMENT CONDITIONS

The obligation of the Bank to permit any drawdowns hereunder at any time is subject to the following conditions precedent:

- a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:
 - i) A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
 - ii) A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
 - iii) All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
 - iv) The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
 - v) All operation of account documentation; and
 - vi) For drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement
- b) The representations and warranties contained in this Agreement are correct.

- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.
- d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

6. STANDARD REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, that:

- a) The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.
- b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.
- c) No Event of Default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement or which would constitute a default under any other agreement.
- d) There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
- e) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.
- f) The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.
- g) All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and workers' compensation dues are currently paid and up to date.
- h) If the Bank Security includes a charge on real property, the Borrower or Guarantor, as applicable, is the legal and beneficial owner of the real property with good and marketable title in fee simple thereto, free from all easements, rights-of-way, agreements, restrictions, mortgages, liens, executions and other encumbrances, save and except for those approved by the Bank in writing.
- i) All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
 - i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;

- ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors;
and
- iii) the Borrower's ownership, control and structure.

7. STANDARD POSITIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will, and will ensure that its subsidiaries and each of the Guarantors will:

- a) Pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower.
- b) Advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender.
- c) Advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Borrower or the occurrence of any Event of Default or default under this Agreement or under any other agreement for borrowed money.
- d) Do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.
- e) Take all necessary actions to ensure that the Bank Security and its obligations hereunder will rank ahead of all other indebtedness of and all other security granted by the Borrower.
- f) Pay all taxes, assessments and government charges unless such taxes, assessments, or charges are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.
- g) Provide the Bank with information and financial data as it may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty in Section 6(i).
- h) Maintain property, plant and equipment in good repair and working condition.
- i) Inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Borrower.
- j) Provide such additional security and documentation as may be required from time to time by the Bank or its solicitors.
- k) Continue to carry on the business currently being carried on by the Borrower its subsidiaries and each of the Guarantors at the date hereof.
- l) Maintain adequate insurance on all of its assets, undertakings, and business risks.
- m) Permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom.
- n) Comply with all applicable laws.

8. STANDARD NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

- a) Create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its assets or undertakings, now owned or hereafter acquired, except for those Permitted Liens, if any, set out in the Letter.
- b) Create, incur, assume or suffer to exist any other indebtedness for borrowed money (except for indebtedness resulting from Permitted Liens, if any) or guarantee or act as surety or agree to indemnify the debts of any other Person.
- c) Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.
- d) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables and leasehold interests), except for inventory disposed of in the ordinary course of business.
- e) Terminate or enter into a surrender of any lease of any property mortgaged under the Bank Security.
- f) Cease to carry on the business currently being carried on by each of the Borrower, its subsidiaries, and the Guarantors at the date hereof.
- g) Permit any change of ownership or change in the capital structure of the Borrower.

9. ENVIRONMENTAL

The Borrower represents and warrants (which representation and warranty shall continue throughout the term of this Agreement) that the business of the Borrower, its subsidiaries and each of the Guarantors is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The Borrower shall, at the request of the Bank from time to time, and at the Borrower's expense, obtain and provide to the Bank an environmental audit or inspection report of the property from auditors or inspectors acceptable to the Bank.

The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security.

10. STANDARD EVENTS OF DEFAULT

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the following Events of Default:

- a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees outstanding under this Agreement within 3 Business Days of when due.
- b) If any representation, warranty or statement made hereunder or made in connection with the execution and delivery of this Agreement or the Bank Security is false or misleading at any time.

- c) If any representation or warranty made or information provided by the Guarantor to the Bank from time to time, including without limitation, under or in connection with the Personal Financial Statement and Privacy Agreement provided by the Guarantor, is false or misleading at any time.
- d) If there is a breach or non-performance or non-observance of any term or condition of this Agreement or the Bank Security and, if such default is capable to being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- e) If the Borrower, any one of its subsidiaries, or, if any of the Guarantors makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any of the Guarantors or if the Borrower, any of its subsidiaries, or any of the Guarantors is insolvent or declared bankrupt.
- f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of its subsidiaries, or any of the Guarantors.
- g) If action is taken by an encumbrancer against the Borrower, any of its subsidiaries, or any of the Guarantors to take possession of property or enforce proceedings against any assets.
- h) If any final judgment for the payment of monies is made against the Borrower, any of its subsidiaries, or any of the Guarantors and it is not discharged within 30 days from the imposition of such judgment.
- i) If there exists an event, the effect of which with lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower, any of its subsidiaries, or any of the Guarantors.
- j) If the Borrower, any one of its subsidiaries, or any of the Guarantors default under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.
- k) If the Bank Security is not enforceable or if any party to the Bank Security shall dispute or deny any liability or any of its obligations under the Bank Security, or if any Guarantor terminates a guarantee in respect of future advances.
- l) If, in the Bank's determination, a material adverse change occurs in the financial condition, business operations or prospects of the Borrower, any of the Borrower's subsidiaries, or any of the Guarantors.
- m) If the Borrower or a Guarantor is an individual, the Borrower or such Guarantor dies or is found by a court to be incapable of managing his or her affairs.

11. ACCELERATION

If the Bank accelerates the payment of principal and interest hereunder, the Borrower shall immediately pay to the Bank all amounts outstanding hereunder, including without limitation, the amount of unmaturing Term CORRA Loans, Daily Compounded CORRA Loans, Term SOFR Loans and Daily Simple SOFR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All cost to the Bank of unwinding Term CORRA Loans and Term SOFR Loans and all loss suffered by the Bank in re-employing amounts repaid will be paid by the Borrower.

The Bank may demand the payment of principal and interest under the Operating Loan or Farm Property Line of Credit (and any other uncommitted facility) hereunder and cancel any undrawn portion of the Operating Loan or Farm Property Line of Credit (and any other uncommitted facility) hereunder, at any time whether or not an Event of Default has occurred.

12. INDEMNITY

The Borrower agrees to indemnify the Bank from and against any and all claims, losses and liabilities arising or resulting from this Agreement. USD loans must be repaid with USD and CAD loans must be repaid with CAD and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD loans are repaid with CAD or vice versa, whether such payment is made pursuant to an order of a court or otherwise. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement.

13. TAXATION ON PAYMENTS

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower, shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

14. REPRESENTATION

No representation or warranty or other statement made by the Bank concerning any of the Facilities shall be binding on the Bank unless made by it in writing as a specific amendment to this Agreement.

15. CHANGING THE AGREEMENT

- a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Operating Loan or Farm Property Line of Credit (and any other uncommitted facility), including changing or adding fees that may be charged in connection therewith, or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.
- b) Changes to the Agreement, other than as described in a) above, including changes to covenants and fees payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.
- c) The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit.

16. ADDED COST

If the introduction of or any change in any present or future law, regulation, treaty, official or unofficial directive, or regulatory requirement, (whether or not having the force of law) or in the interpretation or application thereof, relates to:

- i) the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any Facility or loan made available hereunder; or,
- ii) any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,
- iii) the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder;

and the result of such occurrence is, in the sole determination of the Bank, to increase the cost of the Bank or to reduce the income received or receivable by the Bank hereunder, the Borrower shall, on demand by the Bank, pay to the Bank that amount which the Bank estimates will compensate it for such additional cost or reduction in income and the Bank's estimate shall be conclusive, absent manifest error.

17. EXPENSES

The Borrower shall pay, within 5 Business Days following notification, any fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration, ongoing administration, and discharge of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited to, any outside counsel fees and expenses, and any all in-house legal fees and expenses (if in-house counsel are used), and any outside professional advisory fees and expenses, and any registration, renewal and discharge fees in connection with the Bank Security, including but not limited to, as applicable, land registry, intellectual property registry, Personal Property Security Act, and Le Registre des droits personnels et réels mobiliers fees as established by the applicable federal, provincial and/or territorial government(s) from time to time. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 25, the Bank or the Bank's agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including any registration, renewal and discharge fee as described in this section in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Operating Loan or Farm Property Line of Credit.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

18. NON WAIVER

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security or upon the occurrence of an Event of Default shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

19. EVIDENCE OF INDEBTEDNESS

The Bank shall record on its records the amount of all loans made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the true indebtedness secured by the chattel mortgage.

20. ENTIRE AGREEMENTS

This Agreement replaces any previous letter agreements dealing specifically with terms and conditions of the credit facilities described in the Letter. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement, are the entire agreements relating to the Facilities described in this Agreement.

21. NON-MERGER

Notwithstanding the execution, delivery or registration of the Bank Security and notwithstanding any advances made pursuant thereto, this Agreement shall continue to be valid, binding and enforceable and shall not merge as a result thereof. Any default under this Agreement shall constitute concurrent default under the Bank Security. Any default under the Bank Security shall constitute concurrent default under this Agreement. In the event of an inconsistency between the terms of this Agreement and the terms of the Bank Security, the terms of this Agreement shall prevail and the inclusion of any term in the Bank Security that is not dealt with in this Agreement shall not be an inconsistency.

22. ASSIGNMENT

The Bank may assign or grant participation in all or part of this Agreement or in any loan 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.

23. RELEASE OF INFORMATION

The Borrower hereby irrevocably authorizes and directs the Borrower's accountant, (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

24. FX CLOSE OUT

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

25. SET-OFF

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the credit of or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any

of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the exchange rate determined by the Bank at the time of the conversion.

26. SEVERABILITY

In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, that part will be severed from this Agreement and will not affect the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

27. MISCELLANEOUS

- i) The Borrower has received a signed copy of this Agreement;
- ii) If more than one Person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them;
- iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;
- iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located;
- v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars.
- vi) If the Borrower qualifies as an Eligible Enterprise and the facility/ies hereunder are not secured by a mortgage on real property, the Borrower has the right to cancel this Agreement without incurring a cancellation charge until the end of the third Business Day after the day on which this Agreement is entered into and may be entitled to the refund of certain fees other than (i) any amounts related to the use of the product or service prior to its cancellation; and (ii) any expense that the Bank has reasonably incurred in providing the product or service. Eligible Enterprise, as defined in the Bank Act, means a business with authorized credit of less than CAD\$1,000,000, fewer than 500 employees and annual revenues of less than CAD\$50,000,000.
- vii) If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which such payment shall be due and payable. Notwithstanding the foregoing, if a payment with respect to a Term CORRA Loan, Daily Compounded CORRA Loan, Term SOFR Loan or Daily Simple SOFR Loan becomes due and payable on a day which is not a Business Day and the next succeeding Business Day is in a succeeding calendar month, the due date of such payment shall be the immediately preceding Business Day.

28. CUSTOMER RESOLUTION PROCESS

Tell us about your problem or concern in the way that is most convenient for you. You may contact a Customer Service Representative at your Branch or Business Unit that handles your account, call us toll free at 1-833-259-5980, contact us by mail at Customer Service, TD Centre, P.O. Box 193, Toronto, Ontario, M5K 1H6, by fax at 1-877-983-2932 or by e-mail at customer.service@td.com. As a next step, if your concern remains unresolved, the Manager will offer to elevate your problem to a representative of the Senior Management Office.

Alternatively, if you prefer to elevate the problem yourself, you may contact the Manager, or one of our telephone banking specialists at the toll-free number above, and they will assist you.

If your concern remains unresolved, you may contact the Senior Customer Complaints Office by email at td.scco@td.com, by mail at P.O. Box 1, TD Centre, Toronto, Ontario, M5K 1A2, or toll free at 1-888-361-0319. If your concern still remains unresolved, you may then contact the ADR Chambers Banking Ombuds Office (ADRBO) by mail at 31 Adelaide Street East, P.O. Box 1066, Toronto, Ontario, M5C 1K9 or telephone: 1-800-941-3655 or toll free fax: 1-877-307-5127 and at www.bankingombuds.ca or contact@bankingombuds.ca. For a more detailed overview please obtain a copy of our "If You Have a Problem or Concern" brochure from any branch or from our website at www.td.com.

Financial Consumer Agency of Canada (FCAC) - If you have a complaint regarding a potential violation of a consumer protection law, a public commitment, or an industry code of conduct, you can contact the FCAC in writing at: 6th Floor, Enterprise Building, 427 Laurier Ave. West, Ottawa, Ontario K1R 1B9. The FCAC can also be contacted by telephone at 1-866-461-3222 (en français 1-866-461-2232) or through its website at www.fcac-acfc.gc.ca. Please note that the FCAC does not become involved in matters of redress or compensation - all such requests must follow the process set out above.

29. CONSENT TO TD HANDLING OF YOUR PERSONAL INFORMATION AND PRIVACY POLICY

In this Section 29 and elsewhere in this Agreement, where applicable, "you" and "your" means the Borrower and "we", "our" and "us" means the Bank.

You consent to Our Privacy Policy. You agree that the Bank (which includes The Toronto- Dominion Bank and affiliated companies) may handle your personal information as we set out in our Privacy Policy. You can find our Privacy Policy online at td.com/privacy.

You have choices. The Privacy Policy outlines your options, where available, to refuse or withdraw your consent.

Here is a summary of our Privacy Policy.

We collect, use, share and retain your information to:

- Identify you
- Process your application
- Provide you ongoing service
- Communicate with you
- Personalize our relationship with you
- Improve TD products and services
- Protect against fraud, financial abuse and error
- Manage and assess our risks
- Meet legal and regulatory obligations

We collect information (for the purposes set out above) from you and others including:

- Payment card networks
- Lenders
- Insurers
- Fraud prevention agencies and registries
- Any other people you have allowed us to contact
- From your interactions with us, including on your mobile device or the internet, cameras at our property and records of your use of our products and services

We may share your information (for the purposes set out above) with these parties. Some of them may be located outside your province/territory or outside Canada:

- TD affiliates
- Fraud prevention agencies and registries
- Lenders
- Companies that we work with to provide products or services
- Insurers
- Payment card networks

We retain your information:

We keep your information for as long as we reasonably need it for the purposes set out above.

We may communicate with you:

We may communicate with you about your application. And about your existing and other products and services that may be of interest to you. We may contact you by mail, phone at the number(s) you have provided, text, email or other electronic methods

You can opt out of receiving offers or choose how we contact you for marketing campaign purposes. To do so, visit a TD branch or call us at 1-866-222-3456.

Application of Privacy Policy to Related Parties

If:

- a) there are changes to the signing authorities of the Borrower; or
- b) at the time of obtaining a product or service from us, the Borrower, if a corporation, has any individual who owns or controls, directly or indirectly, 25 per cent or more of the shares of the corporation, or has any director, where such individual or director is not, at such time, either a signing authority of the corporation or a personal banking customer of the Bank; or
- c) at the time of obtaining a product or service from us, the Borrower, if other than a corporation, has any individual who owns or controls, directly or indirectly, 25 per cent or more of the Borrower, where such individual is not, at such time, either a signing authority of the Borrower or a personal banking customer of the Bank;

then the Borrower agrees to make such signing authorities and any such individual or director aware of the Privacy Policy, advise them that they are subject to such policy and inform them that a copy of such policy is available at any TD Canada Trust branch or online at td.com.

The above sections b) and c) shall not apply where the Borrower is a public body, or a corporation that has minimum net assets of \$75 million on its last audited balance sheet and whose shares are traded on a Canadian stock exchange or a stock exchange that is prescribed by section 3201 of the Income Tax Regulations, as may be amended from time to time, and operates in a country that is a member of the Financial Action Task Force.

30. CONSENT TO THE COLLECTION AND/OR DISCLOSURE OF INFORMATION – BORROWER (OTHER THAN AN INDIVIDUAL)

In addition to any rights the Bank may have regarding the collection and disclosure of the Borrower's information, the Borrower authorizes the Bank to obtain information about the Borrower from, and disclose information about the Borrower to, TD, other lenders, credit reporting or credit rating agencies, credit bureaus, auditors, governmental and regulatory authorities, references provided by the Borrower and any supplier, agent or other party that performs services for the Borrower or for the Bank.

31. DEFINITIONS

Capitalized Terms used in this Agreement shall have the following meanings:

"Agreement" means the agreement between the Bank and the Borrower set out in the Letter and this Schedule "A" - Standard Terms and Conditions, as amended from time to time in accordance with Section 15 of this Schedule "A".

"All-In Rate" means the greater of the interest rates that the Borrower pays for Floating Rate Loans or the highest fixed rate paid for Fixed Rate Term Loans.

"Available Tenor" means, with respect to the applicable then-current Benchmark, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement.

"Business Day" means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business, provided that when used in connection with Term SOFR loans, the term Business Day shall exclude any day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"Branch/Centre" means The Toronto-Dominion Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

"Benchmark" means the Term SOFR Reference Rate, Daily Simple SOFR, Term CORRA Reference Rate, or Daily Compounded CORRA as the case may be.

"Benchmark Administrator" means, with respect to a Benchmark, the administrator of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Replacement Date" means, with respect to a Benchmark, a date and time determined by the Bank, which date shall be no later than the earliest to occur of: (a) in the case of clause (x) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the Benchmark Administrator permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or (b) in the case of clause (y) of the definition of "Benchmark Transition Event," the first date on which the regulatory supervisor for the Benchmark Administrator announces that such Benchmark is non-representative, even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

"Benchmark Transition Event" means the occurrence of a public statement or publication of information (x) by (i) or on behalf of the Benchmark Administrator, (ii) the regulatory supervisor for the Benchmark Administrator, (iii) the Bank of Canada, (iv) an insolvency official with jurisdiction over the Benchmark Administrator, (v) a resolution authority with jurisdiction over the Benchmark Administrator, or (vi) a court or an entity with similar insolvency or resolution authority over the Benchmark Administrator, announcing that the Benchmark Administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or (y) by the regulatory supervisor for the Benchmark Administrator announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

"Contractual Term Maturity Date" means the last day of the Contractual Term period. If the Letter does not set out a specific Contractual Term period but rather refers to a period of time up to which the Contractual Term Maturity Date can occur, the Bank and the Borrower must agree on a Contractual Term Maturity Date before first drawdown, which Contractual Term Maturity Date will be set out in the Rate and Payments Terms Notice.

"CORRA" means the Canadian Overnight Repo Rate Average administered and published by the CORRA Administrator.

"CORRA Administrator" the Bank of Canada (or any successor administrator).

"Cross Default Threshold" means the cross default threshold set out in the Letter. If no such cross default threshold is set out in the Letter it will be deemed to be zero.

"Daily Compounded CORRA" means, for any day (a "CORRA Rate Day"), CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Bank in accordance with the methodology and conventions for this rate selected or recommended by the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto, for determining compounded CORRA for business loans; provided that if the Bank decides that any such convention is not administratively feasible for the Bank, then the Bank may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published CORRA and a Benchmark Replacement Date with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA. Notwithstanding the forgoing, if a loan with an interest rate based on Daily Compounded CORRA has been hedged in its entirety with an interest rate swap with the Bank, the lookback period in the methodology for the calculation of Daily Compounded CORRA shall be two (2) business days."

For the avoidance of doubt, from the date hereof until such date that the Bank determines that the methodology and conventions described above have changed, CORRA, as used in the definition of Daily Compounded CORRA, shall mean, for any CORRA Rate Day, a rate per annum equal to the greater of (a) CORRA for the day (such day, a "CORRA Determination Day") that is five (5) Business Days prior to (i) if such CORRA Rate Day is a Business Day, such CORRA Rate Day or (ii) if such CORRA Rate Day is not a Business Day, the Business Day immediately preceding such CORRA Rate Day, in each case, as such CORRA is published by the CORRA

Administrator on the CORRA Administrator's Website, and (b) zero percent. If by 5:00 p.m. (Toronto time) on the second (2nd) Business Day immediately following any CORRA Determination Day, CORRA in respect of such CORRA Determination Day has not been published on the CORRA Administrator's Website and a Benchmark Replacement Date with respect to the Daily Compounded CORRA has not occurred, then CORRA for such CORRA Determination Day will be CORRA as published in respect of the first preceding Business Day for which such CORRA was published on the CORRA Administrator's Website; provided that any CORRA determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Compounded CORRA for no more than three (3) consecutive CORRA Rate Days.

"*Daily Simple SOFR*" means, for any day (a "*SOFR Rate Day*"), SOFR with interest accruing on a simple daily basis, with the methodology and conventions for this rate (which will include a lookback) being established by the Bank in accordance with the methodology and conventions for this rate selected or recommended by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate), or any successor thereto, for determining daily simple SOFR for business loans; provided that if the Bank decides that any such convention is not administratively feasible for the Bank, then the Bank may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published SOFR and a Benchmark Replacement Date with respect to SOFR has not occurred, then, in respect of any day for which SOFR is required, references to SOFR will be deemed to be references to the last provided or published SOFR. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

For the avoidance of doubt, from the date hereof until such date that the Bank determines that the methodology and conventions described above have changed, Daily Simple SOFR shall mean, for any SOFR Rate Day, a rate per annum equal to the greater of (a) SOFR for the day (such day, a "*SOFR Determination Day*") that is five (5) Business Days prior to (i) if such SOFR Rate Day is a Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a Business Day, the Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website, and (b) zero percent. If by 5:00 p.m. (New York City time) on the second (2nd) Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator's Website and a Benchmark Replacement Date with respect to the Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first preceding Business Day for which such SOFR was published on the SOFR Administrator's Website; provided that any SOFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days.

"*Face Amount*" means, in respect of a L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

"*Fixed Rate Term Loan*" means any drawdown in Canadian dollars under a Facility at an interest rate which is fixed for a Rate Term at such rate as is determined by the Bank at its sole discretion.

"*Floating Rate Loan*" means any loan drawn down, converted or extended under a Facility at an interest rate which is referenced to a variable rate of interest, such as the Prime Rate.

"*Inventory Value*" means, at any time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

"*Letter*" means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

"*Letter of Credit*" or "*L/C*" means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

"*Letter of Guarantee*" or "*L/G*" means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

"Maturity Date" for a Facility, means the date on which all amounts outstanding under such Facility are due and payable to the Bank.

"Person" includes any individual, sole proprietorship, corporation, partnership, joint venture, trust, unincorporated association, association, institution, entity, party, or government (whether national, federal, provincial, state, municipal, city, county, or otherwise and including any instrumentality, division, agency, body, or department thereof).

"Prime Rate" means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

"Purchase Money Security Interest" means a security interest on an asset which is granted to a lender or to the seller of such asset in order to secure the purchase price of such asset or a loan incurred to acquire such asset, provided that the amount secured by the security interest does not exceed the cost of the asset and provided that the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

"Rate Term" means that period of time as selected by the Borrower from the options offered to it by the Bank, during which a Fixed Rate Term Loan will bear a particular interest rate. If no Rate Term is selected, the Borrower will be deemed to have selected a Rate Term of 1 year.

"Rate and Payment Terms Notice" means the written notice sent by the Bank to the Borrower setting out the interest rate and payment terms for a particular drawdown.

"Receivable Value" means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by Persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the Bank may from time to time designate in its sole discretion, (iv) those accounts subject to any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the total amount of all claims, liens, or encumbrances on those receivables having or purporting to have priority over the Bank.

"Receivables/Inventory Summary" means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by a senior officer/representative of the Borrower.

"SOFR" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org> (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured financing rate from time to time), on the immediately succeeding Business Day.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"Term CORRA" means, for the applicable corresponding interest period of a Term CORRA Loan, the Term CORRA Reference Rate for an interest period comparable to the applicable selected interest period on the day (such day, the "Periodic Term CORRA Determination Day") that is two (2) Business Days prior to the first day of such selected period, as such rate is published by the Term CORRA Administrator; provided, however, if as of 1:00 P.M. (Toronto time) on any Periodic Term CORRA Determination Day the Term CORRA Reference Rate for the applicable interest period has not been published by the Term CORRA Administrator and a Benchmark Replacement Date with respect to Term CORRA has not occurred, then Term CORRA will be the Term CORRA Reference Rate for such interest period as published by the Term CORRA Administrator on the first preceding Business Day for which such Term CORRA Reference Rate for such interest period was published by the Term CORRA Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Periodic Term CORRA Determination Day.

"Term CORRA Administrator" means Candeal Benchmark Administration Services Inc., TSX Inc. (or a successor administrator of the Term CORRA Reference Rate selected by the Bank in its reasonable discretion).

"Term CORRA Reference Rate" means, for the applicable corresponding interest period, the forward-looking term rate based on CORRA.

"Term SOFR" means, for the applicable corresponding interest period of a Term SOFR Loan, the Term SOFR Reference Rate for an interest period comparable to the applicable selected interest period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) Business Days prior to the first day of such selected period, as such rate is published by the Term SOFR Administrator; provided, however, if as of 5:00 P.M. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable interest period has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to Term SOFR has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such interest period as published by the Term SOFR Administrator on the first preceding Business Day for which such Term SOFR Reference Rate for such interest period was published by the Term SOFR Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Periodic Term SOFR Determination Day.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Bank in its reasonable discretion).

"Term SOFR Reference Rate" means, for the applicable corresponding interest period, the forward-looking term rate based on SOFR.

"USBR" means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

"USD" or *"USD Equivalent"* means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the exchange rate determined by the Bank at the time of the conversion.

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED AND**

**Bankruptcy Court File No. BK-24-03162387-0031
Estate No. 31-3162387**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF CANCOM SECURITY INC. OF THE
CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

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

Proceedings commenced at *Toronto*

**AFFIDAVIT OF PETER SMIECHOWSKI
(sworn December 23, 2024)**

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Lawyers for the Applicant

TAB 3

Bankruptcy Court File No. BK-24-03162387-0031
Estate File No. 32-3162387

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

THE HONOURABLE)	TUESDAY, THE 31 ST
)	
JUSTICE CONWAY)	DAY OF DECEMBER, 2024

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CANCOM SECURITY INC. OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

**ORDER
(Approval of Stay Extension, Administration Charge, and Proposal Trustee's First
Report)**

THIS MOTION, made by Cancom Security Inc. (the "**Company**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "**BIA**") for an order, among other things: (i) extending the time to file a proposal pursuant to s. 50.4(9) of the BIA up to and including February 18, 2025; (ii) granting an Administration Charge (as defined herein), was heard on the 31st day of December, 2024; and (iii) approving the First Report of Dodick Landau Inc. in its capacity as proposal trustee of the Company (the "**Proposal Trustee**") dated December ●, 2024 (the "**First Report**").

ON READING the affidavit of Peter Smiechowski, sworn December 23, 2024 (the "**Smiechowski Affidavit**"), and the exhibits thereto, and the First Report of the Proposal Trustee.

ON HEARING the submissions of counsel for the Company, the Proposal Trustee, and such other counsel as were present as listed on the Counsel Slip, no one else appearing although properly served as appears from the Affidavit of Service of ● sworn December ●, 2024, filed:

STAY OF PROCEEDINGS

1. **THIS COURT ORDERS** that the time for the filing of a proposal by the Company is hereby extended in accordance with Section 50.4(9) of the BIA up to and including February 18, 2025 (the “**Stay Period**”).

CONTINUATION OF SERVICES

2. **THIS COURT ORDERS** that during the Stay Period, all persons having oral or written agreements with the Company or statutory or regulatory mandates for the supply of goods and/or services 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 Company, provided in each case that the normal prices or charges for such goods or services rendered after the date of this Order are paid by the Company in accordance with normal payment practices of the Company or other practices as may be agreed upon by the supplier or service provider and each of the Company and the Proposal Trustee, or as may be ordered by this Court.

3. **THIS COURT ORDERS** that the Company shall be entitled, but not required, to pay, with the written approval of the Proposal Trustee, amounts owing to its suppliers as listed in **Schedule “A”** (the “**Critical Suppliers**”) in the maximum amounts shown for each such supplier in **Schedule “A”** for goods or services actually supplied to the Company prior to December 5, 2024 if, in the opinion of the Company, such payment is necessary to maintain the uninterrupted operations of the business. For clarity, such payments will not exceed the cumulative maximum amount of \$262,000.00 plus applicable taxes unless otherwise ordered by the Court.

ADMINISTRATION CHARGE

4. **THIS COURT ORDERS** that the Proposal Trustee, counsel to Proposal Trustee, and counsel to the Company, shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel for the Proposal Trustee and counsel for the Company as such accounts are rendered. The Proposal Trustee and its counsel shall be authorized to immediately apply any such payments made by the Company to their fees and disbursements and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

5. **THIS COURT ORDERS** that, pursuant to Section 64.2 of the BIA, the Proposal Trustee, counsel to the Proposal Trustee, and the Company's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on all of the Company's current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate including all proceeds thereof (the "**Property**"), which charge shall not exceed an aggregate amount of \$100,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Proposal Trustee and such counsel, both before and after the making of this Order in respect of these proceedings.

6. **THIS COURT ORDERS** that the filing, registration, or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

7. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any individual, firm, corporation, governmental agency, or any other entities (each and any, a "**Person**"), except that the Administration Charge shall be subordinate to any cash collateral pledged by the Company to, and held by, TD Bank in respect of any letters of credit issued by TD Bank (the "**Cash Collateral**").

8. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with the Administration Charge or the Cash Collateral, unless the Company obtains the prior written consent of the Proposal Trustee, TD Bank and the beneficiaries of the Administration Charge, or further Order of this Court.

9. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (the "**Chargees**") shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors

made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Company, and notwithstanding any provision to the contrary in any Agreement:

- a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;
- b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- c) the payments made by the Company pursuant to this Order, and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

10. **THIS COURT ORDERS** that the Administration Charge created by this Order over leases of real property in Canada shall only be a charge in the Company’s interests in such real property leases.

APPROVAL OF PROPOSAL TRUSTEE’S FIRST REPORT

11. **THIS COURT ORDERS** that the First Report and the activities of the Proposal Trustee described in the First Report are hereby approved, however, that only the Proposal Trustee 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

12. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada and as against all Persons against whom it may otherwise be enforced.

13. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or in any other foreign jurisdiction to give effect to this Order and to assist the Company, the Proposal Trustee

and their respective 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 Company and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to recognize and give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order.

14. **THIS COURT ORDERS** that each of the Company and the Proposal Trustee 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.

15. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order.

SCHEDULE "A"**List of Critical Suppliers and Arrears Owing**

Vendor	Arrears Owing
Body Cam AXON	\$34,000
3 rd Party Outsource	\$36,000
Radio Kelcom	\$30,000
Guardian	\$75,000
Unifirst	\$7,000
Ottawa Station Chief	\$80,000
Total	\$262,000

IN THE MATTER OF THE *BANKRUPTCY AND
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at *Toronto*

STAY EXTENSION ORDER

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**IN THE MATTER OF THE *BANKRUPTCY AND
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at *Toronto*

**MOTION RECORD OF THE APPLICANT
(Returnable December 31, 2024)**

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