



B-210053

This is the 1st Affidavit of
C. Conn in this case and was
made on January 22, 2021

District of Vancouver
Division of Vancouver
Court No.
Estate No. 11-254317

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

**IN THE MATTER OF THE BANKRUPTCY OF
WESTRIDGE MECHANICAL LTD.**

AFFIDAVIT #1 OF CHERYL CONN

I, Cheryl Conn, banker, of 650 West Georgia Street, Suite 750, Vancouver, British Columbia,
MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Manager, Special Accounts Management Unit, with The Bank of Nova Scotia ("BNS") and as such have personal knowledge of the facts deposed to in this Affidavit except those facts which I say are based upon information and belief and as to those facts I believe them to be true.
2. I am authorized to make this Affidavit on behalf of BNS.
3. I have read the Application for Bankruptcy Order (the "Application") to be filed in this proceeding and say that to the best of my knowledge all of the facts set out in the Application are true.
4. Pursuant to a credit agreement (the "Credit Agreement") dated December 27, 2019 between BNS as lender and Westridge Mechanical Ltd. ("Westridge") as borrower, BNS provided certain loans (the "Loans") to Westridge under a demand loan facility in the maximum

principal amount of \$1,500,000. Attached and marked as **Exhibit “A”** is a true copy of the British Columbia Corporate Registry search result for Westridge. Attached and marked as **Exhibit “B”** is a true copy of the Credit Agreement.

5. Under the terms of the Credit Agreement, each of 1026970 B.C. Ltd., Vince Graham White and Keith Richard White (all of whom are parties related to Westridge) (each a “**Postponer**”, and collectively, the “**Postponers**”), agreed to postpone payment of all present and future debts, liabilities and obligations of Westridge to the applicable Postponer until all of Westridge’s obligations under the Credit Agreement are paid in full and all credits terminated

6. As security for the payment of the Loans and the performance of obligations owing by Westridge to BNS, Westridge executed the following security documentation in favour of BNS:

- (a) a general security agreement (the “**GSA**”), set out in the Credit Agreement, in which the Borrower as debtor, in favour of the Bank, as secured party, creating a security interest in all of its present and after-acquired personal property;
- (b) an assignment from Westridge, set out in the Credit Agreement, over insured account receivables from Atradius, including holdback insurance policy, with BNS named as loss payee and beneficiary (the “**Assignment**”). Attached and marked as **Exhibit “C”** is a true copy of Atradius insurance policy no. 1026758, which is subject to the Assignment;
- (c) an insurance policy over insured assets located at Westridge’s place of business, 3 – 7252 River Place, Mission, British Columbia, V4S 0A2, from Johnston Meier Insurance Agencies Group, with BNS named as one of the loss payees, bearing

insurance cover note no. BIND-33953. Attached and marked as **Exhibit “D”** is a true copy of the referenced insurance cover note no. BIND-33953; and

- (d) a priorities agreement dated January 7, 2020 between Westridge, BNS, and Business Development Bank of Canada (“**BDC**”) (the “**Priorities Agreement**”), pursuant to which BNS was granted priority over Westridge’s accounts receivable and inventory. Attached and marked as **Exhibit “E”** is a true copy of the Priorities Agreement (collectively, the “**Security**”).

7. The GSA is duly registered at the British Columbia Personal Property Registry (the “**PPR**”). Attached and marked as **Exhibit “F”** is a true copy of a PPR search result in respect of Westridge, dated November 10, 2020, evidencing the registration of the GSA at the PPR.

Default, Indebtedness and Demand

8. The terms of the Credit Agreement included that the Loans were repayable on demand.
9. The Loans have been in default since approximately October 2020.
10. On November 19, 2020, the solicitors for BNS sent to Westridge and the Postponers a letter demanding full payment of all amounts owing under the Credit Agreement and a notice of intention to enforce its security in accordance with section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended. Attached and marked as **Exhibit “G”** is a true copy of the demand issued by the solicitors for BNS.
11. As of January 20, 2021, Westridge was indebted to BNS in the amount of \$1,516,652.71 plus interest and costs which continue to accrue.

12. Despite demand, Westridge has failed to pay the amounts due and owing under the Loans and the Security.

Acts of Bankruptcy

13. Westridge has provided BNS with information regarding amounts owing to other parties, including Canada Revenue Agency. Attached and marked as **Exhibit "H"** is a true copy of an accounts payable summary provided to BNS by Westridge's legal counsel. Attached and marked as **Exhibit "I"** is a true copy of a Canada Revenue Agency account summary provided to BNS by Westridge's legal counsel.

14. Based on the information provided by Westridge and attached as Exhibits H and I, I believe that Westridge has ceased to meet its liabilities as they became due, including failing to make any payment on the amounts owed to BNS.

Value of Security

15. Although BNS holds security in respect of the amounts due and owing under the Loans, BNS has limited visibility as to the personal property presently held by Westridge or its value.

16. Pursuant to the Priorities Agreement, BNS has priority over BDC only in respect of accounts receivable and inventory. Although the value of these assets is uncertain at this time, BNS is of the view that the Security will be insufficient to repay the amounts owing to BNS in full.

17. For the purpose of BNS' application for a bankruptcy order against Westridge, BNS estimates the value of its security against Westridge to be the amount of \$500,000, and estimates that at least \$1 million will be owed to BNS as an unsecured claim. The value of BNS's security

will depend on the value of the inventory and accounts receivable. However, as noted above, BNS does not believe that this value will be sufficient to fully secure the amounts due to BNS.

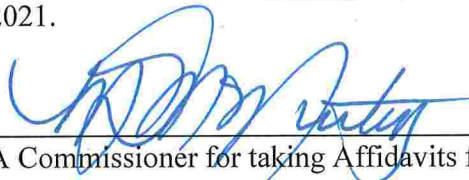
MNP – Consent to Act as Bankruptcy Trustee

18. BNS seeks to pursue an application for a bankruptcy order against Westridge and seeks to have MNP LLP (“MNP”) of Suite 2200 – 1021 West Hastings Street, MNP Tower, Vancouver, British Columbia, V6E 0C3, appointed as trustee in bankruptcy of Westridge. Attached and marked as **Exhibit “J”** is a true copy of the consent to act from MNP.

19. I swear this affidavit in support of a bankruptcy order against Westridge, including the appointment of MNP as trustee in bankruptcy over Westridge’s bankrupt estate, and for no other purpose.

20. I am swearing this Affidavit using video conference, and am not physically present before the commissioner hereof. In swearing this Affidavit, I am advised by the commissioner and do verily believe that we will follow the process described in the “Notice to the Profession, the Public and the Media re Affidavits for use in Court Proceedings”, issued on March 27, 2020 by Chief Justice C.E. Hinkson of the Supreme Court of British Columbia.

SWORN BEFORE ME at the City of)
Vancouver, in the Province of)
British Columbia, this 22 day of January,)
2021.)


A Commissioner for taking Affidavits for
British Columbia)



CHERYL CONN

MARLENA McMURTRY
Barrister & Solicitor
BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
604-632-3483

District of Vancouver
Division of Vancouver
Court No. B-210053
Estate No. 11-254317

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

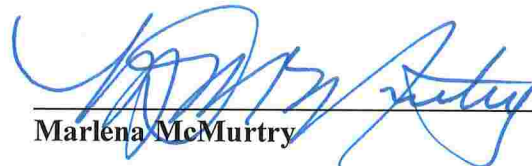
**IN THE MATTER OF THE BANKRUPTCY OF
WESTRIDGE MECHANICAL LTD.**

CERTIFICATE

I, **Marlena McMurtry** of 1200-200 Burrard Street, Vancouver, British Columbia,
CERTIFY THAT:

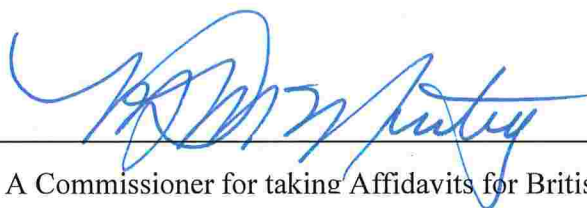
1. I am a lawyer acting for the petitioner, The Bank of Nova Scotia, in this matter.
2. I commissioned the affidavit of Cheryl Conn sworn 22 January 2021 by video conference pursuant to the Supreme Court of British Columbia's Notice regarding Affidavits for use in Civil and Family Proceedings dated 27 March 2020. This process was necessary because, in the circumstances, it was unsafe, for medical reasons, for Ms. Conn and I to be physically present together.

Date: January 22, 2021



Marlena McMurtry

This is **Exhibit "A"** referred to in Affidavit #1 of Cheryl
Conn made before me on this 22 day of January, 2021



A Commissioner for taking Affidavits for British Columbia

MARLENA McMURTRY
Barrister & Solicitor
BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
604-632-3483



**BC Registry
Services**

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

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

BC Company Summary

For
WESTRIDGE MECHANICAL LTD.

Date and Time of Search: January 18, 2021 08:25 AM Pacific Time

Currency Date: October 15, 2020

ACTIVE

Incorporation Number: BC1030555

Name of Company: WESTRIDGE MECHANICAL LTD.

Recognition Date and Time: Incorporated on March 16, 2015 02:44 PM Pacific Time **In Liquidation:** No

Last Annual Report Filed: March 16, 2020 **Receiver:** No

REGISTERED OFFICE INFORMATION

Mailing Address:

203-22471 LOUGHEED HIGHWAY
MAPLE RIDGE BC V2X 2T8
CANADA

Delivery Address:

203-22471 LOUGHEED HIGHWAY
MAPLE RIDGE BC V2X 2T8
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

203-22471 LOUGHEED HIGHWAY
MAPLE RIDGE BC V2X 2T8
CANADA

Delivery Address:

203-22471 LOUGHEED HIGHWAY
MAPLE RIDGE BC V2X 2T8
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

White, Vince

Mailing Address:

32751 UNGER CRT
MISSION BC V4S 0B9
CANADA

Delivery Address:

32751 UNGER CRT
MISSION BC V4S 0B9
CANADA

OFFICER INFORMATION AS AT March 16, 2020

Last Name, First Name, Middle Name:

White, Vince

Office(s) Held: (President, Secretary, Treasurer)

Mailing Address:

32751 UNGER COURT
MISSION BC V4S 0B9
CANADA

Delivery Address:

32751 UNGER COURT
MISSION BC V4S 0B9
CANADA

This is **Exhibit "B"** referred to in Affidavit #1 of Cheryl
Conn made before me on this 22 day of January, 2021



A Commissioner for taking Affidavits for British Columbia

MARLENA McMURTRY
Barrister & Solicitor
BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
604-632-3483



December 27, 2019
Westridge Mechanical Ltd.
3 - 7252 River Place,
Mission, BC V4S 0A2

This is your Business Banking Agreement. It consists of this letter, the Summary of Key Terms and the Additional Terms, and contains or refers to the terms of your Credits with us.

All parties must accept and deliver this Agreement not later than 10/01/2020, after which we may withdraw this Agreement. By delivering this Agreement, we agree to provide the Credits described below on the terms described below.

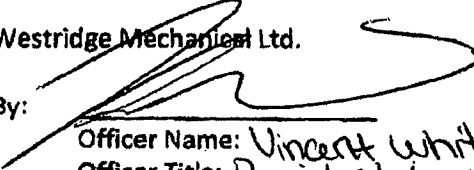
We appreciate the opportunity to work with you.

THE BANK OF NOVA SCOTIA

By: 
Jeevln Phagura
Client Relationship Manager

By delivering this Agreement, the Borrower agrees to the payment and other terms of the Credits in this Agreement, grants or agrees to grant the Security listed in section 3 and agrees to be bound by other agreements we provide regarding the Credits that are described below. Each Guarantor acknowledges the terms of the Credits, guarantees or agrees to guarantee the Borrower's Obligations as described in section 11 and grants or agrees to grant the security listed in section 3. Each Postponer acknowledges the terms of the Credits and agrees to the postponement described in section 12.

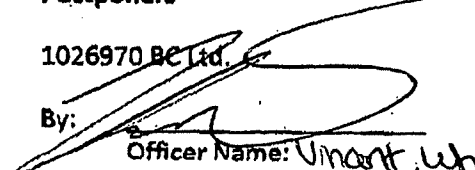
Westridge Mechanical Ltd.


By: 
Officer Name: Vincent White
Officer Title: President/owner
Date: 2020-01-10

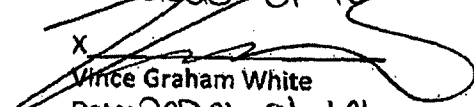
By: _____
Officer Name:
Officer Title:
Date:


Postponers

1026970 BC Ltd.

By: 
Officer Name: Vincent White
Officer Title: President / Westridge mechanical
Date: 2020-01-10

By: 
Officer Name: Keith White
Officer Title: Admin / President / 1026970 BC Ltd.
Date: 2020-01-10

X 
Vince Graham White
Date: 2020-01-10

X 
Keith Richard White
Date: 2020-01-10

SUMMARY OF KEY TERMS**1. PARTIES**

Borrower – Westridge Mechanical Ltd.

Postponer[s] – 1026970 BC Ltd. (variable amount as described in section 11.2); Vince Graham White (variable amount as described in section 11.2); Keith Richard White (variable amount as described in section 11.2); all as described in section 11.

Bank -The Bank of Nova Scotia (also called "we," "our" or "us")

2. CREDITS

Credit #1 - CAD \$1,500,000 Operating. Interest monthly at Prime Rate plus 1.15% per annum; Repayable on demand.

Credit #2 - CAD \$50,000 Visa Card – carved out of Credit #1 limit

Credit #2 will be provided under agreements in forms we provide that the Borrower must sign separately from this Agreement.

3. SECURITY

First Charge General Security Agreement – from Westridge Mechanical Ltd. as described in section 10.

Assignment of Insured Receivables – from the Borrower over insured Account Receivables from Atradius including Holdback insurance policy with the Bank names as loss payee and Beneficiary, separately from this Agreement in a form we provide.

Priority Agreement with BDC and The Bank of Nova Scotia, giving the Bank priority over Accounts Receivable and Inventory of the Borrower.

Scotia Visa Business Card cardholder Agreement from the Borrower separately from this Agreement in a form we provide.

4. FINANCIAL COVENANTS

The Borrower must at all times comply with the following:

- (a) Current Ratio must be at least 1.10 to 1;
- (b) Operating loans are not to exceed at any time the lesser of the operating limit or the "Borrowing Base" which is defined in Section 13 "Other Terms".

If there is a difference between our calculation of the financial covenants and the Borrower's calculation, our calculation will prevail.

5. CONDITIONS

We will not make the Credits available to the Borrower until the following items are delivered to us or otherwise completed. All documents from third parties referred to below must be satisfactory to us.

- (a) delivery of all documents that are separate from this Agreement, completion of all steps required to register or otherwise perfect the Security;
- (b) delivery of payout statements from other lenders in respect of amounts being refinanced with the Credits (as applicable)
- (c) central securities registry confirming Vincent Graham White having 100% share ownership;
- (d) all financial covenants in compliance on most recent interim financial statements.

6. REPORTING

The Borrower must provide us with the following reports relating to the Borrower and all Guarantors that aren't individuals:

- (a) Annual Financial Statements, including notes subject to a notice to reader by an independent accountant, within 120 days of each fiscal year end. The Notes to the Financial Statements are to include full disclosure of non-current assets, intercompany loans, funds due to shareholders and all debts of the company.
- (b) Internally prepared quarterly financial statements, within 45 days of each fiscal quarter end;
- (c) A Borrowing Base Calculation, an aged listing of accounts receivable and an aged listing of trade accounts payable within 45 days of each month end;
- (d) A monthly holdback listing, to include project start dates and expected date of release, within 45 days of each month end;
- (e) An annual Compliance Certificate from BDC, certifying that the Borrower is in compliance with all conditions of the credit facility(ies) and that there has been no breach of conditions of credit during the fiscal year, other than as outlined in the Compliance Certificate, within 120 days of the end of each fiscal year end of the Borrower.

7. FEES PAYABLE BY BORROWER

Upfront fee of \$1,500 on acceptance of this Agreement

Annual renewal fee of \$500

Default fee of \$300

Late Reporting Fee of \$300 per month

ADDITIONAL TERMS**8. AGREEMENTS**

8.1 The Borrower and each Guarantor that isn't an individual must do the following at all times:

- (a) In the case of the Borrower, use the Credits only for its own business purposes and not for any other party;
- (b) operate its business and property in accordance with sound practices and in compliance with the law;
- (c) allow us access to its business premises to inspect its property and business activities and examine its business records, and provide us with other information that we request concerning its property and business;
- (d) maintain all of its bank accounts with us (for our risk management purposes);
- (e) maintain business, property and liability insurance relating to its business and the property that is the subject of the Security on terms and in amounts satisfactory to us, provide us with satisfactory evidence of the insurance whenever we request it and reimburse us for the cost of any insurance we obtain because it fails to do so;
- (f) immediately notify us of any business activity that involves hazardous substances or that increases its environmental risk, and of any environmental problem that has an adverse effect on its property or business activities, provide any other environmental information we request from time to time and conduct all environmental remedial activities that a commercially reasonable person would conduct (and if it fails to do so, we may arrange them at its expense and add the expense to the Borrower's Obligations);
- (g) immediately notify us of any Default that occurs.
- (h) Comply with all applicable borrowing legislation;

8.2 Neither the Borrower nor any Guarantor that isn't an individual may do any of the following without first obtaining our written consent:

- (a) permit any lien of any kind other than the Security to affect any of its property;
- (b) borrow money from anyone other than the Postponers and us;
- (c) pay any dividend, return of capital or other distribution to a shareholder, pay any bonus to an officer or make any loan to a shareholder, officer or affiliate if a Default exists or would occur as a result;
- (d) give any guarantee or indemnity, or incur any other contingent liability;
- (e) have any subsidiary or other affiliated entity unless it becomes a Guarantor and grants Security to us;
- (f) change the nature of its business, sell its property out of the ordinary course, amalgamate or merge with any other person, make an investment in any other person or acquire a business or property comprising a business from any other person;
- (g) change its name, have any property that isn't located in the Province of British Columbia or change any factor that affects its location for the purpose of any *Personal Property Security Act* without first notifying us and taking any action we reasonably require as a result.
- (h) Cross Guarantee: A Default by the borrower under any of the terms and conditions of its Agreement[s] with any other Bank or lending institution constitutes an event of default under this Agreement.

9. TERMINATION OF CREDITS

- 9.1 All of the Borrower's Obligations that aren't payable on demand will become immediately payable at our option if any of the following occurs (In this section 9 "you" and "your" refer to the Borrower and each Guarantor, or any of them):
- (a) you fail to pay any interest, principal, fees or other amounts to us or any other lender when due;
 - (b) there is a change in ownership of the Borrower or any Guarantor that isn't an individual;
 - (c) you breach any other term contained in, or any other default occurs under, any agreement to which you and we are parties or any other credit, loan or security agreement to which you and someone else are parties, or this Agreement or any agreement referred to in it is withdrawn or otherwise becomes ineffective;
 - (d) any bankruptcy, restructuring or other similar proceedings are instituted by or against you, a receiver is appointed over any of your property or any judgment or other process of any court becomes enforceable against you or any of your property;
 - (e) we determine that an adverse change has occurred in your financial condition or the environmental risk of any of your property or business activities.
- 9.2 Our obligation to extend further credit under any Credit that is payable on demand is subject to our periodic review. If we cancel any Credit that is payable on demand, the Borrower is still liable for all Obligations that it has previously incurred and any that subsequently arise. The Borrower must pay its Obligations under any such Credit on our demand.

10. TERMS OF GENERAL SECURITY AGREEMENT

- 10.1 In this section 10 "you" and "your" refer in turn to the Borrower and each Guarantor that is required under section 3 to grant a security interest. You grant us a security interest in all of your present and after-acquired personal property (collectively, the "Collateral"). The security interest secures payment and performance of all of your Obligations.
- 10.2 The security interest you grant us is a fixed and specific mortgage. The security interest attaches, which means it takes effect, when you accept and deliver this Agreement.
- 10.3 If required by us, you will deliver to us all chattel paper, instruments and negotiable documents of title, you will do what we require to enable us to obtain control of any securities, security entitlements, other investment property and monetary claims forming part of the Collateral and you will provide us with serial numbers for motor vehicles and other goods forming part of the Collateral. If we hold Collateral in our possession, we are not required to make special arrangements for its safekeeping, or to take steps to preserve rights relating to the Collateral or prevent it from decreasing in value.
- 10.4 We are entitled to realize on the Collateral at any time after Default if you have not then paid your obligations in full. We are only required to give you any notice required by law. We will have all of the rights and remedies available by law, in addition to those specified in this Agreement. We can realize on the Collateral in any way we choose, including leases, private sales and auctions, subject to requirements of the law. We may purchase the Collateral for ourselves in any sale process and we can accept deferred payment terms. If we realize on the Collateral, we may apply the proceeds to repay your Obligations as we determine unless otherwise required by law. After that, we will pay you any remaining amount as required by law. Unless restricted by law, you must pay any remaining amount if the proceeds from the realization of Collateral are not enough to fully repay your obligations. We are only required to be reasonable in the process of realization. We are not required to obtain the best price or wait to sell if the market is unfavourable.

11. POSTPONEMENT (PROVISIONS / ACKNOWLEDGMENT)

- 11.1 Each Postponer agrees that (a) subject to section 11.2, payment of all present and future debts, liabilities and obligations of the Borrower to the Postponer (collectively, the "Postponer Receivable") is postponed until all of the Borrower's Obligations have been paid in full and all Credits have been terminated and (b) any present or future lien securing the Postponer Receivable is subordinated to all of our Security from the Borrower.
- 11.2 If a Postponer Receivable is limited to a specified amount in the identification of the Postponer in this Agreement and if no Default has occurred and is continuing, then despite section 11.1 the Borrower may pay amounts owing to the Postponer in

excess of the specified amount as long as doing so does not cause a Default. If a Postponer Receivable isn't limited to a specified amount in the Identification of the Postponer in this Agreement and if no Default has occurred and is continuing, then despite section 11.1 the Borrower may pay accrued interest on the Postponer Receivable or repay principal on the Postponer Receivable as long as doing so does not cause a Default.

- 11.3 The Borrower agrees not to make any payment of any present and future debts, liabilities and obligations of the Borrower to a Postponer except that, (a) if an amount is specified in the identification of the Postponer in this Agreement and if no Default has occurred and is continuing, the Borrower may pay amounts owing to the Postponer in excess of the specified amount as long as doing so does not cause a Default, and (b) if no amount is specified and if no Default has occurred and is continuing, the Borrower may pay accrued interest or repay principal to the Postponer as long as doing so does not cause a Default.

12. OTHER TERMS

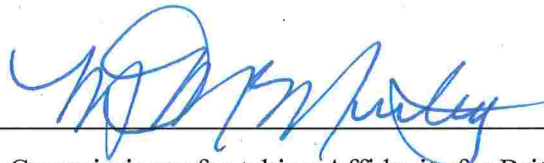
12.1 In this Agreement, the following terms have the respective meanings specified below:

- (a) "Base Rate" means the variable rate per annum that we announce from time to time as a reference rate for US dollar commercial loans in Canada. "Base Rate Advance" means an advance under this Agreement bearing interest based on Base Rate.
- (b) "Borrowing Base" means the aggregate of (i) 75% of good quality accounts receivable (excluding accounts over 90 days, accounts due by employees or affiliates and offsets), plus (ii) 90% of insured receivables up to a maximum of the Accounts Receivable Insurance Maximum Liability Amount, plus (iii) 50% of net inventory (up to \$750,000) located in Canada, less (iii) security interest or charges held by other parties, liens, and deemed trusts as defined under the Construction Act, and specific payables which have or may have priority over the Bank's security. Advances against inventory are limited to \$750,000.
- (c) "Credits" means collectively each Credit listed in section 2.
- (d) "Current Ratio" means the ratio of current assets to current liabilities.
- (e) "Default" means we demand payment of any of the Borrower's Obligations or an event listed in section 9.1 occurs.
- (f) "Obligations" means, with respect to any party, all of its present and future debts and other obligations to us of any kind whatsoever (including interest, fees and expenses), whether described in this or in any other agreement with us or arising in any other way.
- (g) "Postponer Receivable" is defined in section 11.1.
- (h) "Prime" means the variable rate per annum that we announce from time to time as a reference rate for Canadian dollar commercial loans in Canada, which can be found on Scotiabank.com. "Prime Rate Advance" means an advance under this Agreement bearing interest based on Prime.
- (i) "Security" means collectively the guarantees by Guarantors, the postponements by Postponers and the security interests and other credit support arrangements referred to in section 3 and any similar arrangements given to us in the future.
- 12.2 **Records of Obligations** - We will maintain records of the Borrower's Obligations. As against the other parties to this Agreement, our records will be conclusive evidence of the Borrower's Obligations in the absence of obvious error, but we may correct any error or omission in our records.
- 12.3 **Registration of Security** - We may register any grant of Security in such registries as we choose, including personal property registration systems, and confirm the priority of our Security, all at the Borrower's expense. Each party granting Security waives the right to receive a copy of any financing statement, financing change statement or verification statement we may register or receive.
- 12.4 **Expenses and Indemnification** - The Borrower must reimburse us for all expenses that we incur in connection with documenting, administering and enforcing our rights relating to the Credits, this Agreement and the other Security,

Including related amendments and waivers, and must indemnify us for all losses and damages that we suffer as a result of the transactions contemplated by this Agreement, in all cases including legal fees and disbursements on a solicitor and own client (full indemnity) basis. These amounts form part of the Borrower's Obligations and we may charge them against the Borrower's accounts but are not obligated to do so.

- 12.5 **Calculation and Payment of Interest** – Interest accrues from day to day, is calculated for the actual number of days elapsed, both before and after the principal amount is due, and is payable in arrears on the 22nd of each month or another day that we specify. Interest on overdue interest is calculated at the same rate as interest that isn't overdue, and is compounded monthly and payable on demand. Interest on Canadian dollar advances is calculated on a calendar year basis. Interest on US dollar advances is calculated on the basis of a 360 day year and the rate of interest calculated in that way is equivalent to a rate based on a calendar year calculated by multiplying that rate by the actual number of days in the calendar year of calculation and dividing by 360. We may charge interest against the Borrower's accounts but are not obligated to do so.
- 12.6 **Currency Fluctuations** – We will determine the Canadian dollar equivalent of any avallment in another currency in accordance with our standard practice from time to time and, if that equivalent plus the outstanding avallments in Canadian dollars exceeds the authorized amount of the applicable Credit, the Borrower must repay the excess on demand. Payments relating to a particular avallment must be made in the currency in which the avallment was made. If a judgment relating to a payment owing to us in another currency is expressed in Canadian dollars, the judgment debtor must pay us any shortfall in the amount of the other currency that we receive when we convert any amount collected in Canadian dollars.
- 12.7 **Counterparts and Electronic Documents** - This Agreement and other documents relating to the Credits may be executed by different parties in different counterparts, all of which when taken together will constitute a single contract. This Agreement will become effective when we have received counterparts delivered by each of the other parties. Electronic execution and delivery will be effective unless we require delivery of an originally executed (non-electronic) document. We may create and store copies of documents in any form as part of our business records, including by microfilm, photocopy and electronic image. Copies may be held in place of original documents and substituted for original documents for any purpose. In administering the Credits and in otherwise dealing with the other parties, we may rely and act on electronic communications that we reasonably believe have been sent by or on behalf of the relevant party, but we may from time to time require that communication with us be in a non-electronic form that we specify.
- 12.8 **Law Governing** - This Agreement is governed by the laws of the Province of British Columbia. This Agreement must also be construed to give effect to the parties' intention to have the Collateral encumbered by a valid security interest under the laws of any other jurisdiction in which the Collateral may be located or in which the Bank could exercise its rights.

This is **Exhibit "C"** referred to in Affidavit #1 of Cheryl
Conn made before me on this 22 day of January, 2021



A Commissioner for taking Affidavits for British Columbia

MARLENA McMURTRY

Barrister & Solicitor

BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
604-632-3483



Keith White
WESTRIDGE MECHANICAL LTD
7252 RIVER PL UNIT 3
MISSION, BC V4S 0A2
CANADA

Policy: 1026758
Contact: Wendy CHAU
Telephone: +1 905 804 4236
Date: 25th September 2020
E-mail: Wendy.CHAU@atradius.com

Dear Sirs,

Please find enclosed our revised renewal terms.

Yours faithfully,

Christopher Short

For the insurer

Andreas Tesch

This is not your (currently) legally valid policy.

Atradius
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Suite No. 1430
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ON L4Z 3M3

Tel.: +1 (905) 897 5959
Toll Free : 1-866-550-5445
www.atradius.ca

A branch of Atradius Cr dito y Cauci n S.A.
de Seguros y Reaseguros,
registered in Spain

Policy: 1026758
Contact: Wendy CHAU
Telephone: +1 905 804 4236
Date: 25th September 2020
E-mail: Wendy.CHAU@atradius.com

Your Atradius Modula policy

We, the insurer, give to you, the insured:

WESTRIDGE MECHANICAL LTD
 7252 RIVER PL UNIT 3
 MISSION BC V4S 0A2
 CANADA

cover against losses through Insolvency and Protracted default, under the terms and conditions set out in this policy.

The *policy start date* and the *policy duration* are specified in the Policy Schedule.
 We will send you a proposal of policy renewal terms or a notification of non-renewal at least 60 days before the expiry date.

Your complete document consists of:

Introduction

Policy Schedule

Schedule of Countries

Overview of Conditions

Conditions

Signatories

This is not your (currently) legally valid policy.

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Policy Schedule

Policy Schedule: Page 1 of 3

Policy: 1026758
Contact: Wendy CHAU
Telephone: +1 905 804 4236
Date: 25th September 2020
E-mail: Wendy.CHAU@atradius.com

This section shows the key facts and figures of your policy including premium and costs.

Change Effective
From Date

Insured Org ID:23137075	WESTRIDGE MECHANICAL LTD 7252 RIVER PL UNIT 3 MISSION BC V4S 0A2 CANADA	
Broker Org ID:17175327	HUB INTERNATIONAL INSURANCE BROKERS (TOS) 400-4350 STILL CREEK DRIVE BURNABY BRITISH COLUMBIA V5C 0G5 CANADA	
Policy start date	1st September 2020	
Policy expiry date	31st August 2021	
Policy duration	12 months	01-09-2020
Insurance year	1st September 2020 to 31st August 2021	
Insured percentage	90%	
Policy currency	Canadian Dollar	
Waiting period	6 months	
Maximum Credit Terms	45 days	
Trade activities	Plumbing / HVAC contractor	
Invoicing period	30 days	

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Policy Schedule

Policy Schedule: Page 2 of 3

Policy: 1026758
Date: 25th September 2020

Change Effective
From Date

Maximum aggregate CLD amount	4,000,000		
Fixed credit limit costs	400		
Maximum discretionary credit limit	20,000		
Maximum extension period	45 days		
Reporting threshold	2,500		
Insurer's maximum liability	1,000,000 or 30 times the current insurance year premium		
Claims threshold	2,500		
Declaration period	Declaration period 01-09-2020 - 31-08-2021	Due date 15-09-2021	
Premium rate(s)	Credit risk 45 days	0.229%	01-09-2020
Advance Premium	Premium amount 22,900	Due date 01-10-2020	
Minimum premium amount	21,000		01-09-2020

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Policy Schedule

Policy Schedule: Page 3 of 3

Policy: 1026758
Date: 25th September 2020

Change Effective
From Date

Collection service provider Org ID:17178207	ATRADIUS COLLECTIONS LIMITED 1 ROBERT SPECK PARKWAY SUITE 1430 MISSISSAUGA ONTARIO L4Z 3M3 CANADA	
Policy costs	500	01-09-2020
Applicable law	The laws of the Province or Territory indicated in the address of the Insured as set out in the Declaration and the laws of Canada applicable thereto.	
Jurisdiction	The parties hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province or Territory stipulated under the module "Applicable Law" and all courts competent to hear appeals therefrom.	
Language of policy	English	

This is not your (currently) legally valid policy.

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Schedule of Countries

Schedule of Countries: Page 1 of 2

Policy: 1026758
Contact: Wendy CHAU
Telephone: +1 905 804 4236
Date: 25th September 2020
E-mail: Wendy.CHAU@atradius.com

This section specifies the buyer countries included in your policy and any country group referred to in your Policy Schedule. It details all applicable country specific cover terms. Countries printed in italics have special conditions applied, which are shown after the Key to Conditions. Please ensure that you always refer to the latest issue. If uncertain whether you have the latest issue, please contact your broker or account manager.

Country	Country Cover Terms	Discretionary Credit Limit	Change Effective From Date
Canada		X	
United States of America		X	

This is not your (currently) legally valid policy.

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Schedule of Countries

Schedule of Countries: Page 2 of 2

Policy: 1026758
Date: 25th September 2020

Reference	Key	Description
Discretionary Credit Limit	X	You can establish Credit Limits yourself based on the Discretionary Credit Limits facility according to the Policy Schedule and Conditions of your policy. Restrictive conditions as shown in the Schedule of Countries will apply to or prevail over the right to establish Credit Limits yourself.

This is not your (currently) legally valid policy.

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Overview of Conditions

Overview of Conditions: Page 1 of 3

Policy: 1026758
Contact: Wendy CHAU
Telephone: +1 905 804 4236
Date: 25th September 2020
E-mail: Wendy.CHAU@atradius.com

This section is a summary of the terms and conditions of your policy. For the full wording of your cover please read the Conditions section.

Change Effective
From Date

Agreement	(00100.00)
Covered causes of loss	
Insolvency	(00300.00)
Protracted default	(00500.00)
Excluded causes of loss	
Generally excluded losses	(01200.00)
Exclusion of political risk	(01300.00)
Insured receivables	
Insured receivables	(01700.00)
Invoicing period	(02100.00)
Retention payments	(03800.00)
Excluded receivables	
General exclusions	(05400.00)
Sanctions exclusion	(05405.02)
Value Added Tax exclusion	(07400.00)
Excluded buyers	
Associated buyers exclusion	(08400.00)
Private individuals exclusion	(08500.00)
Public buyers exclusion	(08700.00)
Credit limits	
Credit limits	(09600.00)
Credit limit decisions	(10400.00)
Maximum aggregate credit limit decisions amount	(10950.02)
Fixed credit limit costs	(12000.00)
Credit limit costs	(12006.00)
Discretionary credit limits by credit reports	(13210.02)
Discretionary credit limits by payment experience	(13600.02)

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Overview of Conditions

Overview of Conditions: Page 2 of 3

Policy: 1026758
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Change Effective
From Date

Country cover terms

Country cover terms (15600.00)

Start and end cover. Notifications

Commencement of credit risk cover (16500.00)
 Extending the due date of payment (16900.00)
 Automatic Stoppage of Cover (17700.01)
 Obligation to notify breach of maximum extension period (18500.01)
 Obligation to notify adverse information (18900.00)
 Reporting threshold (19300.01)

Loss prevention and debt collection

Actions to minimise loss (20100.00)
 Mandatory transfer of collections (20500.00)
 Contribution to costs (20700.00)
 Contribution to collection costs - nominated collection service providers (20790.00)

Claims

Allocation of payments (21300.00)
 Claims (21700.00)
 Insurer's maximum liability (23300.00)
 Allocation of claims liability (24100.00)
 Claims threshold (26100.00)

General obligations and non-observance

Providing information and disclosure of facts (27300.00)
 Retained risk (27700.00)
 Consequences of non-observance (28540.00)
 Annual holiday closure (29900.00)

Premium

Declarations (30100.01)
 Premium payment (32500.00)
 Advance premium (32900.00)
 Minimum premium (33300.00)

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Overview of Conditions

Overview of Conditions: Page 3 of 3

Policy: 1026758
Date: 25th September 2020

 Change Effective
 From Date

Policy duration and termination

Policy duration and renewal	(38900.00)
Termination of the policy	(39300.00)
Termination of the policy (sanctions laws or regulations)	(39310.00)

Associates to the policy

Loss payee	(42707.01)
------------	------------

Miscellaneous

Communication	(44700.00)
Transfer of rights under the policy	(45101.00)
Set off	(45900.00)
Policy costs	(46300.00)
Policy currency and conversion	(46700.00)
Direct debit	(47100.00)
Confidentiality	(47300.00)
Personal data protection	(47310.00)
Adjustments	(47350.00)
Arbitration and Applicable Law	(47505.00)
Insurance companies act Canada	(47506.00)
List of terms used	(47900.00)

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Conditions

Conditions: Page 1 of 22

Policy: 1026758
Contact: Wendy CHAU
Telephone: +1 905 804 4236
Date: 25th September 2020
E-mail: Wendy.CHAU@atradius.com

This section describes the terms and conditions of your policy. Words shown in *italics* refer to values specified in the Policy Schedule.

Change Effective
From Date

Agreement

(00100.00)

We, the Insurer, have issued this policy of insurance to you, the Insured named in the Policy Schedule. We agree to indemnify you in accordance with the terms and conditions of this policy for the loss you may sustain in the event that you do not receive full payment for Insured Receivables because of the occurrence of a Covered Cause of Loss.

Covered causes of loss**Insolvency**

(00300.00)

For the purposes of this policy, the Covered Cause of Loss Insolvency shall mean any of the following situations or events:

- a) the institution of a judicial or administrative procedure pursuant to the law of the Buyer's country, whereby the assets and affairs of the Buyer are made subject to control or supervision by the court or a person or body appointed by the court or by law, for the purpose of reorganisation or liquidation of the Buyer or of the rescheduling, settlement or suspension of payment of its debts;
- b) a procedure as described above has been rejected or stopped by the court for lack of assets;
- c) the execution of a judgement fails to satisfy the amount owing in full;
- d) an extrajudicial full and final settlement has been agreed with all or the majority of creditors and we have given our prior approval;
- e) you show to our satisfaction that the financial position of the Buyer is such that to start or continue legal proceedings will have no cost effective result;
- f) such situations or events which, in our sole opinion, in substance or effect are equivalent to the situations and events mentioned in a) to d) above.

For this Covered Cause of Loss, the Date of Loss shall be:

for a) and b) the date of the court order or decision;

for c) the day of the unsuccessful execution of the judgement;

for d) the day on which all or the majority of creditors have agreed to the settlement;

for e) and f) the day on which we have informed you that we have formed such opinion.

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Policy: 1026758
Date: 25th September 2020

Change Effective
From Date

Protracted default (00500.00)

For the purposes of this policy, the Covered Cause of Loss Protracted Default shall mean the failure of a Buyer to pay the receivable within the *waiting period* specified in the Policy Schedule.

If the Schedule of Countries specifies a longer *waiting period* for the country of the Buyer, this shall be the applicable *waiting period*.

The *waiting period* commences on the original due date of payment of the receivable.

For this Covered Cause of Loss, the Date of Loss shall be the date on which the applicable *waiting period* expires.

Excluded causes of loss

Generally excluded losses (01200.00)

Cover shall not apply to:

- a) losses directly or indirectly caused by, contributed to by or arising from the ionising, radioactive, toxic, explosive or other hazardous or contaminating properties or effects of any explosive nuclear assembly or component thereof, nuclear fuel, combustion or waste;
- b) losses caused by or resulting from disputes where the Buyer claims for any reason whatsoever that he is justified in withholding partial or full payment or not performing any of his obligations under the contract.
This exclusion shall no longer apply as soon as and to the extent that the dispute has been resolved in your favour either amicably or by a final court judgement or final arbitration award;
- c) losses caused by or resulting from a failure by you or by any person representing you or acting on your behalf to fulfil any of the terms and conditions of the contract or to comply with the provisions of any law or any order, decree or regulation having the force of law;
- d) losses caused by or resulting from a failure to obtain any import or export licence or other authorisation necessary for the performance of the contract or where performance of the contract would contravene any exchange control regulation. This exclusion does not apply where the necessity arose or exchange control regulation came into force after the date of Commencement of Cover;
- e) where goods are to be despatched to, services or work are to be performed in, or payment is to be made from a country other than the Buyer's country - losses arising in connection with the third country, unless we agree otherwise in writing.

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Policy: 1026758
Date: 25th September 2020

Change Effective
 From Date

Exclusion of political risk (01300.00)

Cover shall not apply to any loss directly or indirectly caused by, contributed to by or arising from:

- a) a general moratorium, decreed by the government of the Buyer's country or of any country through which payment must be effected;
- b) political events, economic difficulties, currency shortages, devaluations or fluctuations, or legislative or administrative measures in the Buyer's country which prevent or delay the transfer of amounts deposited by the Buyer;
- c) war (including civil war, hostilities, rebellion and insurrection), revolution or riot;
- d) cyclone, flood, earthquake, volcanic eruption or tidal wave or other forms of natural disaster or force majeure;
- e) the introduction of import or export restrictions or the cancellation of import or export licences or other governmental measures which prevent performance of the contract.

Insured receivables

Insured receivables (01700.00)

Insured Receivables are contractual amounts owing to you:

- a) by Buyers in the countries included in the Schedule of Countries and
- b) that arise from your normal *trade activities* as mentioned in the Policy Schedule and
- c) that relate to goods despatched or services or work performed within the *policy duration* and
- d) for which you have a valid Credit Limit for the Buyer and
- e) for which the payment terms agreed with the Buyer do not exceed the *maximum credit terms* mentioned in the Policy Schedule which shall be calculated from date of invoice and
- f) which comply with the conditions of cover for the Buyer's country as specified in the Schedule of Countries.

Invoicing period (02100.00)

You must submit your invoices to the Buyer within the *invoicing period* mentioned in the Policy Schedule. The invoicing period shall be calculated:

- a) for the supply of goods: from the date of despatch of the goods;
- b) for the performance of services or work: from the date when you have completed such services or work for which you are entitled to receive payment from the Buyer.

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Conditions: Page 4 of 22

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Change Effective
From Date

Retention payments (03800.00)

Where the Buyer has the contractual right to retain part of the contract price for the satisfactory performance of the contract, cover shall also apply to such receivables, provided that the amount retained does not exceed 10% of the contract price and shall be retained no longer than 12 months calculated from the date of Commencement of Credit Risk Cover.

The *maximum credit terms* mentioned in the Policy Schedule shall not apply to such receivables.

Excluded receivables

General exclusions (05400.00)

Cover shall not apply to any loss:

- a) in respect of any interest accruing after the original due date of payment;
- b) in respect of any penalties or damages, whether contractual or otherwise, which you may be entitled to be paid by the Buyer in addition to the amount owing;
- c) in respect of banking costs, unless contractually agreed to be part of the amount owing from the Buyer;
- d) in respect of any costs which you incur in resolving disputes between you and the Buyer or in defending any proceedings brought against you or initiated by you;
- e) you may sustain where and to the extent that such loss is (or would be but for the existence of this policy) capable of being covered by any other insurance held by you or from which you may be entitled to benefit or receive payment.

Sanctions exclusion (05405.02)

We shall not be deemed to provide cover for any of your receivables and we shall not be liable to pay any claim or provide any benefit under the policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, the United Kingdom, the United States of America or any applicable national sanction laws or regulations.

Value Added Tax exclusion (07400.00)

Cover shall not apply to amounts of Value Added Tax or comparable turnover-related tax or charges.

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Policy: 1026758
Date: 25th September 2020

Change Effective
From Date

Excluded buyers

Associated buyers exclusion (08400.00)

The policy shall not apply to amounts owed by Buyers over whom you have direct or indirect control or in whom you have a direct or indirect interest or who have such a control over or interest in you, unless we agree otherwise in writing.

Private individuals exclusion (08500.00)

The policy shall not apply to amounts owed by private individuals not carrying out a commercial activity.

Public buyers exclusion (08700.00)

The policy shall not apply to amounts owed by any State or governmental department, institution or organisation or any entity which cannot be declared insolvent.

Credit limits

Credit limits (09600.00)

Credit Limits specify the maximum amount and the conditions on which we accept liability for each Buyer to which the policy applies.

You must have a Credit Limit for every Buyer to which the policy applies.

The Credit Limit must be established without undue delay, but in any event before the Date of Loss.

Outstanding receivables which exceed the Credit Limit shall fall within the Credit Limit as soon as and to the extent that payment is received in respect of earlier receivables which fell within the Credit Limit.

Credit limit decisions (10400.00)

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Conditions: Page 6 of 22

Policy: 1026758
Date: 25th September 2020

Change Effective
 From Date

You may obtain a Credit Limit Decision by submitting a Credit Limit application for the amount you require. You will be informed of the Credit Limit Decision in writing or via electronic communication.

We may at any time and for any reason attach terms and conditions to Credit Limit Decisions. Those terms and conditions may vary or override the terms and conditions of the policy.

We may also at any time and for any reason vary, reduce or withdraw Credit Limit Decisions. Such variations, reductions and withdrawals have no retroactive effect.

Credit Limit Decisions will be valid until we withdraw them or the policy is terminated.

Maximum aggregate credit limit decisions amount (10950.02)

The aggregate amount of all Credit Limit Decisions shall not exceed the amount of the *maximum aggregate CLD amount* specified in the Policy Schedule. As soon as the aggregate of your Credit Limit Decisions reaches this figure, we have the right to postpone the processing of any further Credit Limit applications. As soon as we exercise this right you will be informed.

In order to avoid this, you should on a regular basis, reduce the aggregate amount of all Credit Limit Decisions by cancelling or reducing existing Credit Limit Decisions that are no longer in use.

Fixed credit limit costs (12000.00)

The *fixed credit limit costs* and any applicable tax or charges are payable per *insurance year*. The amount of the *fixed credit limit costs* is mentioned in the Policy Schedule. This amount is nett of any applicable tax or charges which, if due, will be included in the invoice to you.

Credit limit costs (12006.00)

Your policy is inclusive of 10 issued Credit Limit Decisions per *insurance year*. If you exceed this number of Credit Limit Decisions during the *insurance year* you must pay credit limit costs as specified below on the excess. The amounts mentioned are nett of any applicable tax, which, if due, will be included in the invoice to you.

\$50 per CDN/USA credit limit, \$70 per credit limit in all other countries

Discretionary credit limits by credit reports (13210.02)

For Buyers in countries highlighted in the Schedule of Countries, you may establish a Credit Limit yourself using credit reports.

This is not your (currently) legally valid policy.

Atradius
 Atradius Assurance Cr dit (for Qu bec)
 1 Robert Speck Parkway
 Suite No. 1430
 Mississauga, Ontario
 ON L4Z 3M3

Tel.: +1 (905) 897 5959
 Toll Free : 1-866-550-5445
 www.atradius.ca

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 de Seguros y Reaseguros,
 registered in Spain

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The following conditions shall apply:

- a) the credit report must be obtained from an independent credit agency or a bank in your country or in the Buyer's country;
- b) the credit report must not contain any material adverse or unfavourable information regarding the Buyer's financial position, reputation or debt payment performance;
- c) you must not have suffered any previous loss on the Buyer in the twelve months before the date of Commencement of Cover and
- d) any Credit Limit Decision (including zero limits) shall with effect from the date of the Credit Limit Decision override any Discretionary Credit Limit you may establish on the same Buyer. However, where we have issued a zero limit, you may again establish a Credit Limit yourself, but such a Discretionary Credit Limit shall only apply where cover commences no earlier than 12 months after the effective date of the most recent zero limit.

A Credit Limit based on credit reports:

- a) shall be valid for a period of 12 months from the date of the report and
- b) cannot exceed the amount of the *maximum discretionary credit limit* specified in the Policy Schedule.

Discretionary credit limits by payment experience (13600.02)

For Buyers in countries highlighted in the Schedule of Countries, you may establish a Credit Limit yourself using your own payment experience.

The following conditions shall apply:

- a) the Credit Limit shall be equal to the total payments received from the Buyer before the expiry of the *maximum extension period* in the period 12 months before the date of Commencement of Cover;
- b) you must not have suffered any previous loss on the Buyer in the twelve months before the date of Commencement of Cover and
- c) any Credit Limit Decision (including zero limits) shall with effect from the date of the Credit Limit Decision override any Discretionary Credit Limit you may establish on the same Buyer. However, where we have issued a zero limit, you may again establish a Credit Limit yourself, but such a Discretionary Credit Limit shall only apply where cover commences no earlier than 12 months after the effective date of the most recent zero limit.

A Credit Limit based on payment experience

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-
- a) can only be used for trade on terms, which are not more favourable to the Buyer or less secure than the terms of trade on which you have based your payment experience and
 - b) cannot exceed the amount of the *maximum discretionary credit limit* specified in the Policy Schedule.

Country cover terms

Country cover terms

(15600.00)

We may at any time vary any of the conditions of cover or withdraw cover in respect of a particular country and revise the Schedule of Countries accordingly. Such variation or withdrawal shall have no retroactive effect and shall apply to goods to be despatched or services or work to be performed on or after the effective date specified in the revised Schedule of Countries.

Start and end cover. Notifications

Commencement of credit risk cover

(16500.00)

Credit Risk Cover for each receivable commences

- a) for the supply of goods: when the goods are despatched. Despatch is deemed to be made when you or anyone acting on your behalf parts with possession of the goods for the purpose of fulfilling your contractual obligations with the Buyer;
- b) for the performance of services or work: when each invoice for such services or work performed is submitted to the Buyer.

Extending the due date of payment

(16900.00)

If the need arises, you may agree to or allow extensions of the original due date of payment for a receivable provided that these extensions do not exceed the *maximum extension period* specified in the Policy Schedule, which is calculated from the original due date of payment for the receivable.

The original due date of payment shall remain the date to be used for the application of the terms and conditions of the policy.

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Such an extension is not permitted in the case of bills of exchange, promissory notes, cash against documents, documentary sight draft, documents against payment transactions or where payment is to be made by a letter of credit.

Automatic Stoppage of Cover (17700.01)

Cover shall not apply in respect of any loss you may sustain in relation to goods despatched or, in the case of work or services, invoices submitted after the date of any of the following circumstances of Automatic Stoppage of Cover:

- a) payment of any receivable is still overdue from the Buyer at the expiry of the *maximum extension period* specified in the Policy Schedule. If such receivable is paid within 30 days after the expiry of the *maximum extension period*, cover shall be reinstated with retroactive effect in relation to goods despatched or, in the case of work or services, invoices submitted after the expiry of the *maximum extension period* for such receivable, provided no other circumstance of Automatic Stoppage of Cover applies. If such receivable is paid later than the 30 days after the expiry date of the *maximum extension period*, cover shall be reinstated only for goods despatched or, in the case of work or services, invoices submitted after the date of payment, provided no other circumstance of Automatic Stoppage of Cover applies.
- b) you have placed for collection amounts owing to you from the Buyer. As soon as these amounts are paid, cover shall apply again for goods despatched or, in the case of work or services, invoices submitted after the date of payment, provided no other circumstance of Automatic Stoppage of Cover applies.
- c) the Buyer's Insolvency or
- d) we withdraw the Credit Limit Decision for the Buyer or withdraw cover in respect of the country of the Buyer.

Obligation to notify breach of maximum extension period (18500.01)

You must notify us within 30 days if payment of any receivable is overdue from a Buyer at the expiry of the *maximum extension period*, unless such receivable is paid within these 30 days.

Obligation to notify adverse information (18900.00)

You must notify us without undue delay of the occurrence of any circumstance or event likely to cause a loss. Such a circumstance or event shall include without limitation:

- a) the Buyer requests an extension of the due date of payment beyond the *maximum extension period*;
- b) the Buyer fails to take up the goods or the documents on first presentation where the payment terms are cash against documents or documents against acceptance;

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- c) the imminent or actual Insolvency of the Buyer;
- d) you have reason to believe that the Buyer is unable or is likely to be unable to perform or comply with the terms of the contract;
- e) the Buyer fails to honour a bill of exchange or a cheque due to lack of funds;
- f) the institution of any proceedings against the Buyer for non-payment of an amount owing;
- g) you become aware of unfavourable information concerning the Buyer's financial position, reputation or debt payment performance.

Reporting threshold

(19300.01)

Where the total of the unpaid amount(s) for which the *maximum extension period* has expired is less than or equal to the *reporting threshold* mentioned in the Policy Schedule, the following shall apply:

- a) you need not notify us thereof and
- b) the non-payment of such amount(s) shall not be deemed to be a circumstance that automatically stops cover for further trade with the Buyer until the occurrence of a Covered Cause of Loss.

However, your obligation to notify us without undue delay of the occurrence of any circumstance or event likely to cause a loss remains unaffected.

Loss prevention and debt collection

Actions to minimise loss

(20100.00)

In all your dealings with Buyers, you must use due care and diligence as if you were uninsured. You must take all practicable measures to effect payment of the amount owing from the Buyer and to prevent and minimise loss. This includes, without limitation, ensuring that all rights against contract goods, Buyers and third parties are properly preserved and exercised. You must also take all steps that we may require in connection with a potential or actual loss - either before or after indemnification - including the institution of legal proceedings.

Mandatory transfer of collections

(20500.00)

At the latest, 30 days after the expiry of the *maximum extension period* for the unpaid receivable with the oldest due date, you must place the collection of the total amount outstanding on the Buyer

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with the *collection service provider* mentioned in the Policy Schedule, and provide the information and documents required.

Contribution to costs (20700.00)

We will contribute to the costs (excluding your own administrative costs) that you incur in fulfilling your obligation to prevent or minimise loss or in collecting the amount owing, made with our approval or on our instruction.

Our contribution to the costs will be proportionate to our liability for the amount owing from the Buyer. We will indemnify the insured percentage of such costs.

We will not contribute to costs which you incur in resolving disputes between you and the Buyer or in defending any proceedings brought against you or where you choose not to collect the costs from the Buyer.

We will not be liable for any Value Added Tax or comparable turnover-related tax or charges included in the costs.

Contribution to collection costs - nominated collection service providers (20790.00)

We will only contribute to the collection costs where you place the collection of the total amount outstanding from the Buyer with ATRADIUS COLLECTIONS LIMITED

Claims

Allocation of payments (21300.00)

All amounts received by you, by any person acting on your behalf or by us before the Date of Loss shall for the purposes of the policy be allocated to all receivables due from the same Buyer in chronological order of due dates.

All amounts received by you, by any person acting on your behalf or by us after the Date of Loss shall be divided between you and us in the proportion in which the loss is borne by each of us. You must notify us immediately of the receipt of such amounts.

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Claims

(21700.00)

1. Latest date for submission
Any claim, including all available information, must be submitted at the latest 4 months from the Date of Loss.
You must submit all information and documents we require for assessment of the claim at the latest 1 months from the date of our request for such information and documents.
2. Our response
We will provide you with the results of our claims examination within 30 days of the receipt of all information and documents required by us.
3. Calculation of loss
Your loss shall be calculated as the amount owing to you from the Buyer at the Date of Loss less any credits due to the account of the Buyer and any savings that you make through non-fulfilment of the contract (including Agent's commission not payable).
For the application of the terms and conditions of the policy, credits are:
 - a) payments by the Buyer (including cash on delivery) or by third parties but excluding cheques or bills of exchange not yet honoured or paid;
 - b) credit notes;
 - c) set offs;
 - d) counterclaims;
 - e) proceeds from securities or guarantees and
 - f) proceeds from the resale of repossessed goods.

The Insured Loss shall be your loss in so far as it relates to unpaid Insured Receivables. The amount of our indemnification shall be the *insured percentage* either of the Insured Loss or of the amount of the Credit Limit for the Buyer, whichever is lower.

4. Assignment and approval

If we so require, claims payments may be made subject to assignment to us of the total amount owing from the Buyer, including all rights and securities.

If we so require, claims payments may be made subject to your prior approval of our calculation of liability.

Insurer's maximum liability

(23300.00)

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The maximum amount which we shall be liable to pay per *insurance year* shall be either the amount of the *insurer's maximum liability* or the *multiple* of the premium (nett of any applicable tax) paid in respect of the *insurance year*, whichever is higher, notwithstanding that the *insurer's maximum liability* may be less than the *insured percentage* of any individual Credit Limit or aggregate of Credit Limits.

The amount of the *insurer's maximum liability* and the *multiple* are specified in the Policy Schedule.

Allocation of claims liability (24100.00)

Any claims payment shall be allocated to the *insurance year* in which cover commenced.

Claims threshold (26100.00)

We shall not be liable to indemnify you for any loss in relation to any Buyer where the loss is lower than or equal to the amount of the *claims threshold* specified in the Policy Schedule effective at the Date of Loss.

Receivables or parts of them below the amount of the *claims threshold* may not be deducted from your declarations, if required under this policy.

General obligations and non-observance

Providing information and disclosure of facts (27300.00)

You must provide us with all information and documents that we may require in order to confirm your compliance with the terms and conditions of this policy.

Where we require, you must also co-operate with a certified auditor or other independent party that we may employ to verify the accuracy of statements and information you have provided.

You guarantee that the information and documents you provide are correct to the best of your knowledge and belief.

You must disclose promptly and will at all times continue to disclose promptly all information and documents which might affect the risks insured under this policy or might influence our acceptance or assessment of the risks and Buyers insured under the policy.

Retained risk (27700.00)

You must retain exclusively for your own account as an uninsured risk and must not insure elsewhere, any amount which exceeds the amount we are liable to pay you under the policy.

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Consequences of non-observance

(28540.00)

1. Misrepresentations or Fraudulent Acts

Any misrepresentation, whether fraudulent or otherwise, or fraudulent conduct on your part (or on the part of any other person who has a legal or beneficial interest in the policy or its proceeds) in relation to this policy (including the proposal), to any claim under it, or to any contract to which the policy applies, will render the policy void but we may retain any premium paid and you will be liable to refund to us any payment we may have made under the policy.

2. The Credit Limit and withdrawal of cover - Compliance with Credit Limit

Cover shall not apply where you have not complied with the terms and conditions of the Credit Limit, or where you have not established a Credit Limit before the date of loss.

3. Actions to Minimise Loss, Recoveries and Allocation of Moneys Received.

If you fail to comply with any of the terms and conditions of the policy relating to Actions to Minimise Loss, recoveries or allocation of moneys received after we have made a payment, then you will be liable to refund the payment to us on demand.

4. Observance of Stipulations

- a) Due payment of all premiums and other charges and the due performance and observance of all terms and conditions of the policy or the proposal, shall be conditions precedent to any liability on our part. In the event of any breach of any condition precedent, in addition to and without prejudice to any or all of the rights and remedies available to us under this policy, we also have the right to retain any premium paid and terminate the policy from the date of our written notice to you. No variation or waiver relating to any of the terms and conditions of the policy shall be binding unless we have specifically agreed the same in writing.
- b) No failure by you to comply with any of the terms and conditions of the policy shall be deemed to have been accepted or excused by us unless the same is expressly so excused or accepted by us in writing. The waiver by us of any breach or default by you in respect of the terms and conditions of this policy shall not be construed as a waiver of any succeeding breach or default in respect of the same or any other terms and conditions.
- Failure by us to exercise any of our rights, powers or remedies under this policy or our delay in doing so shall not constitute a waiver of such rights, powers or remedies and, until such breach

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or default is remedied, we are entitled to invoke any remedy available under this policy, despite the forbearance or indulgence including, without limitation, termination of this policy.

Annual holiday closure (29900.00)

Where you cannot fulfil your policy obligations within the timeframe specified in the Policy because your company is closed for the annual holiday, you must fulfil such obligations without undue delay after the end of the annual holiday closure.

Premium

Declarations (30100.01)

After the expiry of each *declaration period* specified in the Policy Schedule you must declare to us your turnover invoiced during that *declaration period* to Buyers to which the policy applies. Each declaration must be returned to us by the dates specified in the Policy Schedule. Receivables or parts of them that are specifically excluded from cover under this policy need not be included in your declaration.

The declaration must be specified by country of the Buyer and, if premium rates vary per payment term, also by the agreed payment terms.

The declaration must be made in the *policy currency* or in the currency of the contract.

You may not deduct from your declaration:

- a) credit notes, except where they relate to corrections which have no effect on the risks we have already covered under this policy and for which we are entitled to premium;
- b) receivables in excess of the Credit Limit;
- c) receivables arising before the withdrawal of the Credit Limit;
- d) receivables paid for by cheque;
- e) receivables from Buyers where you have established a Discretionary Credit Limit;
- f) receivables paid for before the date of your declaration;
- g) contra-trade amounts due to the Buyer and
- h) disputed receivables/invoices.

Where appropriate, a Nil declaration must be submitted.

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Premium payment (32500.00)

Premium and any insurance premium tax or other applicable tax or charges are payable on the amounts you declare to us.

Premium will be calculated at the *premium rate(s)* shown in the Policy Schedule and must be paid at the times we specify.

Advance premium (32900.00)

The premium amounts specified in the Policy Schedule are *advance premium* amounts. These amounts are nett of any insurance premium tax or other applicable tax or charges, which, if due, will be included in the invoice to you.

At the end of the *insurance year* the actual premium payable in respect of that period shall be calculated on the basis of the declarations received from you.

If the actual premium payable exceeds the total advance premium, you shall pay the difference to us.

If the actual premium payable is less than the total advance premium, we shall refund the difference to you. However, this cannot result in you paying less premium than any *minimum premium amount* mentioned in the Policy Schedule.

Minimum premium (33300.00)

If the premium calculated on the basis of your declarations in respect of a completed *insurance year* falls short of the *minimum premium amount* mentioned in the Policy Schedule, this *minimum premium amount* shall be the premium amount you must pay in respect of the completed *insurance year*.

The *minimum premium amount* mentioned in the Policy Schedule is nett of any insurance premium tax or other applicable tax or charges, which, if due, will be included in the invoice to you.

Policy duration and termination

Policy duration and renewal (38900.00)

The *policy start date* and the *policy duration* are specified in the Policy Schedule.

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We will send you a proposal of policy renewal terms or a notification of non-renewal at least 60 days before the expiry date.

Termination of the policy (39300.00)

The policy shall terminate automatically with immediate effect if you become the subject of any bankruptcy or insolvency procedure under the law of your country.

Termination of the policy (sanctions laws or regulations) (39310.00)

We have the right to terminate the policy if you, any of your directors, or those who control you or own more than 50% of you, become a designated person or entity under United Nations resolutions or sanctions laws or regulations of the European Union, the United Kingdom or the United States of America or the equivalent thereof under any other applicable national sanctions laws or regulations.

Associates to the policy

Loss payee (42707.01)

Loss Payee Name: Bank of Nova Scotia
Address: 4715 Tahoe Blvd., Mississauga, Ontario
Postal Code: L4W 0B4
Country: Canada
Contact Name: Jeevin Phagura
Contact Email: Jeevin.Phagura@scotiabank.com

Except in the event of your Insolvency, it is understood and agreed that the Loss Payee is not entitled to make or pursue a claim under the policy and further that the Loss Payee shall have no rights whatsoever under the policy other than to receive payment of a claim which in our judgment is payable under this policy.

In the event of your Insolvency, the Loss Payee may file and pursue a claim under the policy, subject to the condition precedent that the Loss Payee confirms to us in writing and to our satisfaction that the Loss Payee agrees to be bound by all terms, conditions and exclusions of the policy.

The Loss Payee acknowledges that we have made no representations to the Loss Payee regarding you, the underwriting of your Credit Limits, or the Buyer(s) for whom you may request a Credit Limit

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under the policy. The Loss Payee acknowledges that it is responsible for its own due diligence and in no way is relying, or shall in the future rely upon our underwriting or analysis or the fact that we have agreed to issue a Credit Limit for a Buyer under the policy, except to the extent that it may, subject to the terms and conditions of the policy be entitled to receive a Loss Payment up to the applicable Credit Limit for a Buyer.

Nothing in this Loss Payee provision shall otherwise change, modify, or amend the terms, conditions, and exclusions of this policy, nor shall anything in this module require us to pay a claim which in our judgment is not covered under the policy. Nothing in this module increases the *insurer's maximum liability* under the policy as shown in the Policy Schedule.

Our payment to the Loss Payee will be in complete satisfaction of amounts that would otherwise be due to you. You agree to indemnify and hold us harmless of any loss, claim, damages or demand suffered or incurred by us for acting in accordance with your instructions contained in this module.

As a condition precedent to us paying a claim to the Loss Payee, you and the Loss Payee shall upon demand assign to us, or cause to be assigned to us, any and all rights you or the Loss Payee may have against the Buyer.

This Loss Payee provision is agreed by us under a full reservation of, and without prejudice to our rights to disclaim liability under the policy for any reason that would exist as if this provision had not been issued.

This Loss Payee provision shall remain in effect until such time as this provision is expressly superseded by an agreement executed by both you and the Loss Payee.

Miscellaneous

Communication

(44700.00)

In your communications with us in respect of the policy administration and in fulfilling your policy obligations, you should make use of those facilities of your online connection with us that we make available for that purpose.

In our communications with you in respect of the policy administration and in announcing changes to the policy (such as, but not limited to, variations in the country cover terms) we may make use of our online connection with you.

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Transfer of rights under the policy (45101.00)

You cannot assign or transfer this policy or any of its rights and benefits.

Set off (45900.00)

We have the right to apply any amount payable by us under this policy in or towards payment of any amount owing from you (paying cost and interest before principal) under this policy.

You have no right to apply any amount payable by you to us under this policy in or towards payment of any amount owing from us to you under this policy.

Policy costs (46300.00)

Policy costs and any applicable tax or charges are payable per *insurance year*. The amount of the policy costs is mentioned in the Policy Schedule. This amount is nett of any applicable tax or charges which, if due, will be included in the invoice to you.

Policy currency and conversion (46700.00)

The *policy currency* is specified in the Policy Schedule.

For the purpose of making declarations and calculating any loss, amounts in a currency other than the *policy currency* shall be converted to the *policy currency* using the applicable exchange rate on the last working day of the month during which cover commenced.

Amounts received by you, by any person acting on your behalf or by us after the Date of Loss in a currency other than the *policy currency*, shall be converted to the *policy currency* using the applicable exchange rate on the date of receipt.

The applicable exchange rate on a given date shall be the closing mid-point rate quoted on that date by the European Central Bank or, if the European Central Bank has not quoted such rate, in the London Foreign Exchange Market, or if not quoted in the London Foreign Exchange Market, by the Central Bank of your country.

Direct debit (47100.00)

Premium and Credit Limit costs including any applicable tax or charges are payable by way of direct debit.

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Confidentiality (47300.00)

You undertake to treat any information provided to you in strict confidence and not to disclose such information to any third party.

You further assume the obligation to release us from claims which might arise from third parties gaining access to confidential information.

All information, including but not limited to Credit Limit Decisions, is non binding. We are not liable for any loss you may sustain in case you use this information, especially for your own commercial decisions.

Personal data protection (47310.00)

In connection with this policy, we, the Insurer and you, the Insured shall be deemed as separate data controllers under the applicable data protection law in relation to any personal data which may be processed for our own individual purposes and by our own means and/or on our own respective behalves.

If personal data processed for the purpose of providing you with this insurance or any other related services, is transferred to a jurisdiction outside of the European Economic Area (EEA) and said jurisdiction does not provide an adequate level of data protection according to the applicable data protection law, such transfer shall be governed by the appropriate European Union-adopted Standard Contractual Clauses (Decision 2004/915/EC - controller/controller) or any updated or newer version thereof.

These Standard Contractual Clauses are incorporated by reference in our contractual relationship, and shall be governed by the applicable data protection law of the country in which you or we, as each of us may individually act as data exporter, have a relevant establishment in relation to the processing of the personal data. Annex B (a description of the personal data we may transfer) forms part of the Standard Contractual Clauses and is available on your request.

Nothing in our contractual relationship shall be construed to prevail over any conflicting clause of the applicable Standard Contractual Clauses, or other data transfer mechanism.

Adjustments (47350.00)

Any adjustment, variation, waiver or interpretation of any stipulation of the policy shall only be binding if we have specifically agreed the same in writing.

This is not your (currently) legally valid policy.

Atradius
 Atradius Assurance Cr dit (for Qu bec)
 1 Robert Speck Parkway
 Suite No. 1430
 Mississauga, Ontario
 ON L4Z 3M3

Tel.: +1 (905) 897 5959
 Toll Free : 1-866-550-5445
 www.atradius.ca

A branch of Atradius Cr dito y Cauci n S.A.
 de Seguros y Reaseguros,
 registered in Spain



Conditions

Conditions: Page 21 of 22

Policy: 1026758
Date: 25th September 2020

Change Effective
From Date

Arbitration and Applicable Law

(47505.00)

Any dispute or controversy arising out of, in connection with, or relating to this policy shall be submitted to arbitration. We and you shall each appoint its arbitrator within 30 days after written request for arbitration has been received from the party requesting arbitration. If we or you fail to appoint an arbitrator within the 30 day time period, then the other party will appoint an arbitrator on behalf of the failing party.

The two arbitrators appointed by you and us shall select within 10 days after having both been appointed, a third arbitrator to serve as umpire in the arbitration. Should the two arbitrators appointed by you and us fail to agree on an umpire, then the parties shall utilize the American Arbitration Association's ("AAA") "Arbitration Select: List and Appointment" process or equivalent process to appoint the umpire by requesting a list of 10 arbitrators, experienced in commercial insurance matters.

All three members of the arbitration panel shall be disinterested and neutral. The arbitration panel shall adopt their own rules and procedures. The decision of the majority of the arbitration panel shall be final and binding on the parties. The arbitration panel is not empowered and has no authority to award punitive, exemplary, special or consequential damages, including, non-exclusively, loss of revenue, income, or profits, but is empowered to issue an award involving sums equal to or less than the *insurer's maximum liability* of the policy.

The arbitration shall take place in the location specified in *jurisdiction* in the Policy Schedule unless some other location is mutually agreed upon by the parties. We and you shall share equally in the costs of the arbitration, including, non-exclusively, any AAA fees and the fees of the umpire.

This policy shall be governed and construed in accordance with the *applicable law* specified in the Policy Schedule; provided, however, that the provisions, terms and conditions of this policy are construed in a fair fashion as between you and us; without limitation, where the language of this policy is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant terms and conditions (without regard to authorship of the language and without any presumption or arbitrary interpretation or construction in favor of either you or us and without reference to the "reasonable expectations" of either thereof or to contra proferentem).

The *language of the policy* shall be that specified in the Policy Schedule. Where we provide translations of the policy the version in the language of the policy shall prevail in the event of any conflict or difference in meaning or effect.

This is not your (currently) legally valid policy.

Atradius
Atradius Assurance Cr dit (for Qu bec)
1 Robert Speck Parkway
Suite No. 1430
Mississauga, Ontario
ON L4Z 3M3

Tel.: +1 (905) 897 5959
Toll Free : 1-866-550-5445
www.atradius.ca

A branch of Atradius Cr dito y Cauci n S.A.
de Seguros y Reaseguros,
registered in Spain



Conditions

Conditions: Page 22 of 22

Policy: 1026758
Date: 25th September 2020

Change Effective
From Date

Insurance companies act Canada (47506.00)

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of our insurance business in Canada.

List of terms used (47900.00)

Buyer: any company established in a country included in the Schedule of Countries which can be considered a debtor by virtue of a trade contract concluded with you.

Credit Limit: the amount which indicates the maximum acceptable risk for us on the Buyer.

Credit Limit Decision: a Credit Limit established by us or by the information company.

Recoveries: any amounts or payments in respect of any loss that are received by you or by us, or by someone acting on your or our behalf, after the Date of Loss.

This is not your (currently) legally valid policy.

Atradius
 Atradius Assurance Cr dit (for Qu bec)
 1 Robert Speck Parkway
 Suite No. 1430
 Mississauga, Ontario
 ON L4Z 3M3

Tel.: +1 (905) 897 5959
 Toll Free : 1-866-550-5445
 www.atradius.ca

A branch of Atradius Cr dito y Cauci n S.A.
 de Seguros y Reaseguros,
 registered in Spain



Signatories

Signatories: Page 1 of 1

Policy: 1026758
Contact: Wendy CHAU
Telephone: +1 905 804 4236
Date: 25th September 2020
E-mail: Wendy.CHAU@atradius.com

We, the Insurer and you, the Insured, accept the amended terms set out at this date.

Christopher Short

Andreas Tesch

For the insurer
Date: 25th September 2020

Place and date

Name and company

Signature
For the Insured

This is not your (currently) legally valid policy.

Atradius
 Atradius Assurance Cr dit (for Qu bec)
 1 Robert Speck Parkway
 Suite No. 1430
 Mississauga, Ontario
 ON L4Z 3M3

Tel.: +1 (905) 897 5959
 Toll Free : 1-866-550-5445
 www.atradius.ca

A branch of Atradius Cr dito y Cauci n S.A.
 de Seguros y Reaseguros,
 registered in Spain

This is **Exhibit "D"** referred to in Affidavit #1 of Cheryl
Conn made before me on this 22 day of January, 2021



A Commissioner for taking Affidavits for British Columbia

MARLENA McMURTRY
Barrister & Solicitor
BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
604-632-3483



Johnston Meier Insurance Agencies Group

22367 Dewdney Trunk Rd, Maple Ridge BC V2X 3J4
 Tel: 604-467-4184 / Fax: 604-467-9711 / Toll Free: 1-888-256-4564
 Web: www.jmins.com Email: info@jmins.com

INSURANCE COVER NOTE NO: BIND- 33953

INSURED: Westridge Mechanical

MAILING ADDRESS: 3-7252 River Pl Mission BC V4S 0A2

The Underwriters designated below are hereby bound by an insurance undertaking for account of the insured in accordance with the following:

Policy Term: Effective: October 11, 2020 **Expiring:** October 11, 2021, 12:01AM Standard Time

Location Address: Unit 3, 7252 River Place, Mission, BC V2V 6X6

**Legal Description: PID: 028-862-551, Strata Lot 3, Section 19, Township 17, Group 1
 New Westminster District Strata Plan BCS3384 together with an
 Interest in the Common Property in Proportion to Unit entitlement of
 The Strata Lot as shown on form V**

Coverage: Commercial Insurance
 Business Contents \$25,000
 All Risk, Replacement Cost, 90% Co-Insurance Clause
 \$1,000 Deductible, Except: Sewer Back-up & Water Damage \$5,000
 Flood- \$10,000

Commercial General Liability \$5,000,000
 \$10,000 Property Damage/Bodily Injury Deductible

Conditions & Special Clauses:

SUBJECT TO POLICY TERM, CONDITIONS, WORDINGS, CLAUSES AND DEDUCTIBLES OF POLICY TO BE ISSUED BY Travelers Canada

**Loss Payable to: The Bank of Nova Scotia
 4715 Tahoe Boulevard, Mississauga, ON. L4W 0B4**

**The Business Development Bank of Canada
 100 -32555 Simon Avenue, Abbotsford, BC V2T 4Y2**

"STANDARD MORTGAGE CLAUSE APPLIES"

Subscribing Underwriters: Travelers Canada

This Cover Note may be cancelled by the Insured by surrender of this Cover Note or by written notice to the Company stating when cancellation will be effective. This Cover Note may be cancelled by the Company by notice to the Insured. This Cover Note is cancelled when replaced by an insurance policy. If this Cover Note is not replaced by a policy, the Company is entitled to charge a premium for the Cover Note according to the rules and rates in use by the Company and applicable to this Cover Note.

Johnston Meier Insurance Agencies Group

As per: Alex Acciarresi
 Licensed Insurance Representative E&O.E.

**"POLICY WORDINGS ARE AVAILABLE AWAITING ISSUANCE
 OF INSURANCE DOCUMENTATION UPON REQUEST"**

INSURANCE - BONDS - AUTOPLAN

This is **Exhibit "E"** referred to in Affidavit #1 of Cheryl
Conn made before me on this 22 day of January, 2021



A Commissioner for taking Affidavits for British Columbia

MARLENA McMURTRY

Barrister & Solicitor

BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
604-632-3483

PRIORITIES AGREEMENT

THIS AGREEMENT dated as of the 7th day of January 2020

BETWEEN:

THE BANK OF NOVA SCOTIA, a Canadian chartered bank, having a branch at 4715 Tahoe Boulevard Mississauga, Ontario L4W 0B4,

(hereinafter referred to as the "Bank")

OF THE FIRST PART;

- and -

Business Development Bank of Canada, a corporation incorporated under the laws of Canada and having a place of business in the Province of British Columbia at Suite 100, 32555 Simon Avenue, Abbotsford, British Columbia, V2T 4Y2,

(hereinafter referred to as "BDC")

OF THE SECOND PART;

- and -

Westridge Mechanical Ltd., a corporation incorporated under the laws of the Province of British Columbia, having its chief executive office at 3 - 7252 River Place, Mission, British Columbia, V4S 0A2,

(hereinafter referred to as the "Company")

OF THE THIRD PART;

WHEREAS the Company is or may become indebted or liable to the Bank and BDC and the parties hereto wish to enter into this Agreement in order to set out the respective priorities of the security issued to the Bank and BDC in and to the Company's property and assets; and

WHEREAS any and all security which may be held by the Bank now or hereafter on the property and assets of the Company for its existing indebtedness or other obligations or any future indebtedness or other obligations of the Company to the Bank, are herein collectively referred to as the "Bank Security"; and

WHEREAS any and all security which may be held by BDC now or hereafter on the property and assets of the Company for its existing indebtedness or other obligations or any future indebtedness or other obligations of the Company to BDC, are herein collectively referred to as the "BDC Security".

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and other good and valuable consideration, the parties hereto hereby covenant, undertake, declare and agree as follows:

ARTICLE 1 - DEFINITIONS

1.1 In this Agreement the following terms have the following meanings:

- (a) "Business Day" means a day on which the main branch of the Bank in Toronto, Ontario is open for normal banking business but in any event not including a Saturday or Sunday;
- (b) "Inventory" means property of the Company held for sale or lease including products purchased for resale, finished goods, work in process and raw materials but not including any property not intended to be directly incorporated in finished goods or products to be sold;
- (c) "Proceeds" means identifiable or traceable personal property in any form derived directly or indirectly from any dealing with the property and assets of the Company or the proceeds therefrom, including but not limited to any

- 2 -

payment representing indemnity or compensation for loss or damage to, or expropriation of, any property and assets of the Company or proceeds therefrom, trade-ins, lease or sale proceeds and cash; and

- (d) "Receivables" means all books, accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advice of credit, which are now or may hereafter become due, owing or accruing or growing due to or owned by the Company, other than any Proceeds of or receivables arising out of the sale, lease or other disposition of the Company's real or immovable property, furniture, machinery, fixtures, equipment, vehicles, accessories and tangible personal property and other than any money payable under any policy of insurance on the life of an executive of the Company which has been assigned to BDC as security for the indebtedness secured by the BDC Security.

ARTICLE 2 - CONSENT

- 2.1 The Bank hereby acknowledges its consent to the creation and issue by the Company to BDC of the BDC Security and to the incurring by the Company of the indebtedness evidenced or secured thereby and that the creation, issue, existence and incurring of the same does not constitute a default or event of default under the Bank Security.
- 2.2 BDC hereby acknowledges its consent to the creation and issue by the Company to the Bank of the Bank Security and to the incurring by the Company of the indebtedness evidenced or secured thereby and that the creation, issue, existence and incurring of the same does not constitute a default or event of default under the BDC Security.

ARTICLE 3 - SUBORDINATION

- 3.1 The Bank and BDC agree that the Bank Security and the BDC Security shall have the following priorities as against one another:
- (a) the BDC Security is hereby postponed and subordinated in all respects to the security constituted by the Bank Security on Inventory and Receivables; and
 - (b) the Bank Security is hereby postponed and subordinated in all respects to the security constituted by the BDC Security on all the property, assets and undertaking of the Company, both present and future, other than Inventory and Receivables.
- 3.2 The subordinations and postponements contained herein shall apply in all events and circumstances regardless of:
- (a) the date of execution, attachment, registration or perfection of any security interest held by the Bank or BDC; or
 - (b) the date of any advance or advances made to the Company by the Bank or BDC; or
 - (c) the date of default by the Company under any of the Bank Security or the BDC Security or the dates of crystallization of any floating charges held by the Bank or BDC; or
 - (d) any priority granted by any principle of law or any statute.

Any insurance proceeds received by the Company or by the Bank or BDC in respect of the collateral charged by the Bank Security or the BDC Security shall be dealt with according to the preceding provisions hereof as though such insurance proceeds were paid or payable as proceeds of realization of the collateral for which they compensate.

If any of the Bank Security or the BDC Security is claimed by a trustee in bankruptcy, or found by a court of competent jurisdiction, to be unenforceable, invalid, unregistered or unperfected, then the foregoing provisions of this Article 3 shall not apply to such security to the extent that such security is so claimed or found to be unenforceable, invalid, unregistered or unperfected as against a third party unless the secured party shall be diligently contesting such claim or appealing such decision and has provided the other secured party with a satisfactory indemnity.

Each of the parties hereto shall permit any of the other parties hereto and their employees, agents and contractors, access at all reasonable times to any property and assets of the Company upon which it has a prior charge or security interest in accordance with the terms hereof and to permit such other party to remove such property and assets from the premises of the Company at all reasonable times without interference, provided that such other party shall promptly repair any damage caused to the premises by the removal of any such property or assets.

- 3 -

Each of the Bank and BDC agree that they will use their best efforts to give prompt written notice to the other secured party of any action taken by them against the Company to enforce their security. Such notice may be given prior to or forthwith after taking such action, but failure to give such notice will not give the Bank or BDC any cause of action or right to damages or other remedy against one another.

ARTICLE 4 - COVENANTS OF COMPANY

4.1 The Company hereby confirms to and agrees with the Bank and BDC that:

- (a) so long as any of the indebtedness of the Company herein referred to remains outstanding, it shall stand possessed of its assets so charged for the Bank and for BDC in accordance with their respective interests and priorities as herein set out;
- (b) none of the provisions of this Agreement create any rights in favour of the Company or affect the manner in which the Bank or BDC or any receiver and manager appointed by them over the property, assets and undertaking of the Company exercises its rights under the Bank Security and the BDC Security; and
- (c) the Company shall promptly provide the Bank or BDC upon request with any information which either reasonably requests about the business and affairs of the Company.

ARTICLE 5 - GENERAL

- 5.1 From time to time upon request therefor the Bank and BDC may advise each other of any information which it may have relating to the affairs of the Company, including its business and financial affairs and the particulars of the indebtedness and liability of the Company to each other and all security held by each therefor. The Company hereby consents to any such exchange of information.
- 5.2 Neither the Bank nor BDC shall take any action to defeat the priorities set forth in this Agreement. Each of the Bank and BDC hereby waives any right the other may have to require the other to marshal in its favour.
- 5.3 The Bank shall have no obligation to inquire into the source of the funds received by the Bank from the Company nor will the Bank be considered a trustee or constructive trustee with respect to proceeds of sale of property and assets of the Company upon which BDC has a prior charge and the Bank will be free to apply funds the Bank receives from the Company against its indebtedness to the Bank except where:
 - (a) prior to the Bank receiving the funds, BDC and/or the Company has advised the Bank in writing that the Company is proposing to sell certain of its property and assets of the Company upon which BDC has a prior charge; or
 - (b) BDC has advised the Bank in writing that the Company is in default under the BDC Security; or
 - (c) the Company is in default under the Bank Security and the Bank has determined to enforce the same.

After the occurrence of any of the foregoing events the Bank shall hold such funds in trust for BDC and forthwith remit the same to BDC upon receipt. In addition, after the occurrence of the event referred to in clause (b) of this section 5.3, the Bank shall advise BDC promptly after the Bank's receipt of any funds upon which BDC may have a prior claim."

- 5.3 Each of the Bank, BDC and the Company shall do, perform, execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the intent of this Agreement; provided, however, that no consent of the Company shall be necessary to any amendment of the terms hereof by the Bank and BDC unless the interests of the Company are directly affected thereby.
- 5.4 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof. This Agreement also may be executed by facsimile or pdf, and any signature contained hereon by facsimile or pdf shall be deemed to be equivalent to an original signature for all purposes. Any party delivering this Agreement by facsimile or pdf shall forthwith deliver originally executed copies to the other parties hereto.
- 5.5 Any communication required or permitted to be given under this Agreement will be in writing and will be effectively made and given if (a) delivered personally, (b) sent by prepaid courier service, or (c) sent prepaid by facsimile transmission, in each case to the address or facsimile number of the relevant party set out on the signature pages to this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of actual delivery if so

delivered, or on the day of facsimile transmission provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any party may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the others in accordance with the provisions of this section.

- 5.6 This Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 5.7 Where there is any conflict between the provisions in this Agreement regarding the priority of the security of the parties hereto and similar provisions in the BDC Security, including section 6 of the BDC Debenture, the provisions of this Agreement will prevail.
- 5.8 Neither the Bank nor BDC shall assign all or part of any of its Bank Security or BDC Security, as the case may be, without first obtaining a written agreement from the assignee under which the assignee agrees to be bound by the terms of this Agreement.
- 5.9 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their duly authorized officers.



Address: 4715 Tahoe Boulevard, Mississauga,
Ontario, L4W 0B4

 Attention: _____
 Fax No.: _____

The Bank of Nova Scotia
 By: 
 Name: Jeevin Phagura
 Title: Client Relationship Manager

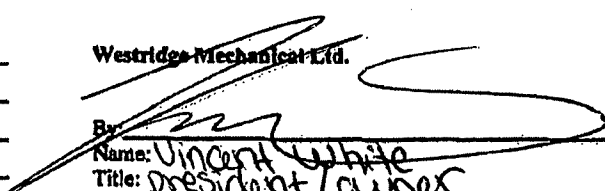
Address: _____

 Attention: _____
 Fax No.: _____

Business Development Bank of Canada
 By:  
 Name: Shannon Baird
 Title: Manager, Major Accounts
 Lie Bideshi
 CEO

Address: _____

 Attention: _____
 Fax No.: _____

Westridge Mechanical Ltd.
 By: 
 Name: Vincent White
 Title: president / owner

This is **Exhibit "F"** referred to in Affidavit #1 of Cheryl
Conn made before me on this 22 day of January, 2021



A Commissioner for taking Affidavits for British Columbia

MARLENA McMURTRY
Barrister & Solicitor
BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
604-632-3483

BC OnLine: PPRS SEARCH RESULT 2020/11/10
Lterm: XPSP0054 For: PK73711 BORDEN LADNER GERVAIS LLP (VANCOU 10:16:46

Index: BUSINESS DEBTOR

Search Criteria: WESTRIDGE MECHANICAL LTD.

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: NOV 25, 2015 Reg. Length: 6 YEARS
Reg. Time: 08:13:56 Expiry Date: NOV 25, 2021
Base Reg. #: 972862I Control #: D3459776

Block#

S0001 Secured Party: SNAP COMMERCIAL FINANCE CORP.
538 CAMBIE STREET
VANCOUVER BC V6B2N7

=D0001 Base Debtor: WESTRIDGE MECHANICAL LTD
(Business) 32952 DEWDNEY TRUNK RD
MISSION BC V2V6X6

D0002 Bus. Debtor: WESTRIDGE MECHANICAL LTD
7620 HURD ST
MISSION BC V2V3J4

D0003 Ind. Debtor: WHITE VINCENT GRAHAM
32952 DEWDNEY TRUNK RD Birthdate: 89AUG03
MISSION BC V2V6X6

D0004 Ind. Debtor: WHITE VINCENT GRAHAM
7620 HURD ST Birthdate: 89AUG03
MISSION BC V2V3J4

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
V0001 TR	5WBBE1627GW011796	2016	TNT TRA8.516TA2	

General Collateral:

ALL TRAILERS AND TRAILER EQUIPMENT INCLUDING BUT NOT LIMITED TO (1)
2016 TNT TRAILER MODEL#TRA8.516TA2 VIN#5WBBE1627GW011796 TOGETHER WITH
ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS
ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM
DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE
COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT
INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR
PROCEEDS OF THE COLLATERAL.

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 19, 2017 Reg. Length: 5 YEARS
Reg. Time: 16:21:06 Expiry Date: JUL 19, 2022
Base Reg. #: 151404K Control #: D4663762

Block#

S0001 Secured Party: CHILLIWACK FORD
45681 YALE ROAD
CHILLIWACK BC V2P 2N1

Continued on Page 2

Search Criteria: WESTRIDGE MECHANICAL LTD.

Page: 2

=D0001 Base Debtor: WESTRIDGE MECHANICAL LTD
(Business) #3-7252 RIVER PLACE
MISSION BC V4S 0A2

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
V0001 MV	1FTEX1C84HFC47832	2017	FORD F150 XLT	

Registering

Party: CHILLIWACK FORD
45681 YALE ROAD
CHILLIWACK BC V2P 2N1

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: SEP 22, 2017 Reg. Length: 5 YEARS
Reg. Time: 16:18:35 Expiry Date: SEP 22, 2022
Base Reg. #: 289698K Control #: D4804706

Block#

S0001 Secured Party: CHILLIWACK FORD
45681 YALE ROAD
CHILLIWACK BC V2P 2N1

=D0001 Base Debtor: WESTRIDGE MECHANICAL LTD.
(Business) #3-7252 RIVER PLACE
MISSION BC V4S 0A2

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
V0001 MV	1FTEX1C89HKE30960	2017	FORD F150	

Registering

Party: CHILLIWACK FORD
45681 YALE ROAD
CHILLIWACK BC V2P 2N1

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUN 22, 2018 Reg. Length: 5 YEARS
Reg. Time: 11:47:17 Expiry Date: JUN 22, 2023
Base Reg. #: 847992K Control #: D5373666

Block#

S0001 Secured Party: CHILLIWACK FORD
45681 YALE ROAD
CHILLIWACK BC V2P 2N1

=D0001 Base Debtor: WESTRIDGE MECHANICAL LTD.
(Business) #3-7252 RIVER PLACE
MISSION BC V4S 0A2

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
V0001 MV	1FTEX1CB0FFC50308	2018	FORD F150	

Continued on Page 3

Search Criteria: WESTRIDGE MECHANICAL LTD.

Page: 3

Registering

Party: CHILLIWACK FORD
45681 YALE ROAD
CHILLIWACK BC V2P 2N1

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUN 22, 2018 Reg. Length: 5 YEARS
Reg. Time: 16:43:12 Expiry Date: JUN 22, 2023
Base Reg. #: 849015K Control #: D5374728

Block#

S0001 Secured Party: CHILLIWACK FORD
45681 YALE ROAD
CHILLIWACK BC V2P 2N1

=D0001 Base Debtor: WESTRIDGE MECHANICAL LTD.
(Business) #3-7252 RIVER PLACE
MISSION BC V45 0A2

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
V0001 MV	1FTEX1CBXJKE10864	2018	FORD F150	

Registering

Party: CHILLIWACK FORD
45681 YALE ROAD
CHILLIWACK BC V2P 2N1

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: NOV 07, 2018 Reg. Length: 5 YEARS
Reg. Time: 17:20:34 Expiry Date: NOV 07, 2023
Base Reg. #: 140959L Control #: D5672120

Block#

S0001 Secured Party: CHILLIWACK FORD
45681 YALE ROAD
CHILLIWACK BC V2P 2N1

=D0001 Base Debtor: WESTRIDGE MECHANICAL LTD.
(Business) #3- 7252 RIVER PLACE
MISSION BC V4S 0A2

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
V0001 MV	1FTEX1CB4JKF18719	2018	FORD F150	

Registering

Party: CHILLIWACK FORD
45681 YALE ROAD
CHILLIWACK BC V2P 2N1

Search Criteria: WESTRIDGE MECHANICAL LTD.

Page: 4

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JAN 30, 2019 Reg. Length: 4 YEARS
Reg. Time: 15:21:47 Expiry Date: JAN 30, 2023
Base Reg. #: 291977L Control #: D5826122

Block#

+++ Secured Party: HONK.CA AUTOMOTIVE LTD.
45930 AIRPORT ROAD
CHILLIWACK BC V2P 1A2

=D0001 Base Debtor: WESTRIDGE MECHANICAL LTD.
(Business) 3-7252 RIVER PLACE
MISSION BC V4S 0A2

D0002 Ind. Debtor: WHITE VINCENT GRAHAM
3-7252 RIVER PLACE Birthdate:
CHILLIWACK BC V4S 0A2

Vehicle Collateral:

Type Serial # Year Make/Model MH Reg.#

V0001 MV 1N6BF0LY9KN801537 2019 NISSAN NV2500

Registering

Party: MERTIN CHEVROLET CADILLAC BUICK GMC
LTD.
45930 AIRPORT ROAD
CHILLIWACK BC V2P 1A2

----- S E C U R E D P A R T Y T R A N S F E R -----

Reg. #: 565312M Reg. Date: OCT 30, 2020
Reg. Time: 15:45:50
Control #: D7121910

Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 291977L Base Reg. Date: JAN 30, 2019

Block#

** DELETED **

+++ Secured Party: HONK.CA AUTOMOTIVE LTD.
45930 AIRPORT ROAD
CHILLIWACK BC V2P 1A2

*** ADDED ***

S0002 Secured Party: HONK.CA AUTOMOTIVE (2019) LTD.
45930 AIRPORT RD
CHILLIWACK BC V2P 1A2

Registering

Party: HONK.CA AUTOMOTIVE (2019) LTD.
45930 AIRPORT RD
CHILLIWACK BC V2P 1A2

Search Criteria: WESTRIDGE MECHANICAL LTD.

Page: 5

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 05, 2019 Reg. Length: 25 YEARS
Reg. Time: 12:16:55 Expiry Date: JUL 05, 2051
Base Reg. #: 617337L Control #: D6156832

*** Expiry date includes subsequent registered renewal(s).

Block#

S0001 Secured Party: BUSINESS DEVELOPMENT BANK OF CANADA
SUITE 100, 32555 SIMON AVENUE
ABBOTSFORD BC V2T 4Y2

=D0001 Base Debtor: WESTRIDGE MECHANICAL LTD.
(Business) 32952 UNGER COURT
MISSION BC V4S 0B9

General Collateral:

ALL THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND
ALL PROCEEDS THEREOF, TOGETHER WITH AN UNCRYSTALLIZED FLOATING CHARGE
ON LAND.

Registering

Party: WATERSTONE LAW GROUP LLP
202 - 32625 SOUTH FRASER WAY
ABBOTSFORD BC V2T 1X8

----- R E N E W A L -----

Reg. #: 617361L Reg. Date: JUL 05, 2019
Reg. Life: 6 YEARS Reg. Time: 12:19:57
Control #: D6157627

Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 617337L Base Reg. Date: JUL 05, 2019

Registering

Party: BUSINESS DEVELOPMENT BANK OF CANADA
SUITE 100, 32555 SIMON AVENUE
ABBOTSFORD BC V2T 4Y2

----- R E N E W A L -----

Reg. #: 415164M Reg. Date: AUG 20, 2020
Reg. Life: 1 YEAR Reg. Time: 09:56:11
Control #: D6969464

Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 617337L Base Reg. Date: JUL 05, 2019

Registering

Party: WATERSTONE LAW GROUP LLP
202 - 32625 SOUTH FRASER WAY
ABBOTSFORD BC V2T 1X8

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: AUG 12, 2019 Reg. Length: 4 YEARS
Reg. Time: 13:32:41 Expiry Date: AUG 12, 2023
Base Reg. #: 694966L Control #: D6236599

Block#

Continued on Page 6

Search Criteria: WESTRIDGE MECHANICAL LTD.

Page: 6

+++ Secured Party: HONK.CA AUTOMOTIVE LTD.
45930 AIRPORT ROAD
CHILLIWACK BC V2P 1A2

=D0001 Base Debtor: WESTRIDGE MECHANICAL LTD.
(Business) 3-7252 RIVER PLACE
MISSION BC V4S 0A2

D0002 Ind. Debtor: WHITE VINCENT GRAHAM
3-7252 RIVER PLACE Birthdate:
MISSION BC V4S 0A2

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
V0001 MV	1N6BF0LY3KN807978	2019	NISSAN NV2500	

Registering

Party: MERTIN CHEVROLET CADILLAC BUICK GMC
LTD.
45930 AIRPORT ROAD
CHILLIWACK BC V2P 1A2

----- S E C U R E D P A R T Y T R A N S F E R -----

Reg. #: 565318M Reg. Date: OCT 30, 2020
Reg. Time: 15:48:27
Control #: D7121917

Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 694966L Base Reg. Date: AUG 12, 2019

Block#

** DELETED **

+++ Secured Party: HONK.CA AUTOMOTIVE LTD.
45930 AIRPORT ROAD
CHILLIWACK BC V2P 1A2

*** ADDED ***

S0002 Secured Party: HONK.CA AUTOMOTIVE (2019) LTD.
45930 AIRPORT RD
CHILLIWACK BC V2P 1A2

Registering

Party: HONK.CA AUTOMOTIVE (2019) LTD.
45930 AIRPORT RD
CHILLIWACK BC V2P 1A2

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: OCT 09, 2019 Reg. Length: 5 YEARS
Reg. Time: 16:01:53 Expiry Date: OCT 09, 2024
Base Reg. #: 821809L Control #: D6365741

Block#

S0001 Secured Party: CHILLIWACK FORD
45681 YALE ROAD

CHILLIWACK BC V2P 2N1

Continued on Page 7

Search Criteria: WESTRIDGE MECHANICAL LTD.

Page: 7

=D0001 Base Debtor: WESTRIDGE MECHANICAL LTD.
(Business) 3-7252 RIVER PLACE
MISSION BC V4S 0A2

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
V0001	MV	1FT8W3BT2KEE38552	2019 FORD SUPER DUTY	

Registering

Party: CHILLIWACK FORD
45681 YALE ROAD
CHILLIWACK BC V2P 2N1

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JAN 03, 2020 Reg. Length: 5 YEARS
Reg. Time: 11:15:43 Expiry Date: JAN 03, 2025
Base Reg. #: 984262L Control #: D6531111

Block#

S0001 Secured Party: THE BANK OF NOVA SCOTIA
4715 TAHOE BLVD
MISSISSAUGA ON L4W 0B4

=D0001 Base Debtor: WESTRIDGE MECHANICAL LTD.
(Business) 3 - 7252 RIVER PLACE
MISSION BC V4S 0A2

General Collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Registering

Party: THE BANK OF NOVA SCOTIA
4715 TAHOE BLVD
MISSISSAUGA ON L4W 0B4

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: APR 06, 2020 Reg. Length: 5 YEARS
Reg. Time: 08:38:23 Expiry Date: APR 06, 2025
Base Reg. #: 156704M Control #: D6706805

Block#

S0001 Secured Party: CHILLIWACK FORD
45681 YALE ROAD
CHILLIWACK BC V2P 2N1

=D0001 Base Debtor: WESTRIDGE MECHANICAL LTD.
(Business) 3-7252 RIVER PLACE
MISSION BC V4S 0A2

Vehicle Collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
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This is **Exhibit "G"** referred to in Affidavit #1 of Cheryl
Conn made before me on this 22 day of January, 2021



A Commissioner for taking Affidavits for British Columbia

MARLENA McMURTRY
Barrister & Solicitor
BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
604-632-3483

Lisa Hiebert
 T (604) 632.3425
 F (604) 687.1415
 lhiebert@blg.com

Borden Ladner Gervais LLP
 1200 Waterfront Centre
 200 Burrard St, P.O. Box 48600
 Vancouver BC V7X 1T2
 Canada
 T 604-687-5744
 F 604-687-1415
 blg.com



File No. 550929/000028

November 19, 2020

Delivered by Courier

TO: Westridge Mechanical Ltd.
 3 – 7252 River Place
 Mission, BC V4S 0A2

Attention: Vincent Graham White

AND TO: 1026970 B.C. Ltd.
 3 – 7252 River Place
 Mission, BC V4S 0A2

Vince Graham White
 33145 Benedict Blvd
 Mission, BC V2V 0H1

Keith Richard White
 32751 Unger Crt
 Mission, BC V4S 0A2

Dear Sirs/Mesdames:

Re: Indebtedness of Westridge Mechanical Ltd. owing to The Bank of Nova Scotia

We are solicitors for the Bank of Nova Scotia (the “**Bank**”) with respect to loans advanced by the Bank to Westridge Mechanical Ltd. (the “**Borrower**”) pursuant to a credit agreement dated December 27, 2019 (the “**Credit Agreement**”) between the Borrower, as borrower, and the Bank, as lender, whereby the Bank agreed to loan the Borrower up to \$1,500,000 under a demand loan facility (the “**Loan**”).

In connection with the Loan, we refer to the following security documents granted by the Borrower in favour of the Bank a security for the payment and performance of the Borrower’s obligations to the Bank:

- (i) a general security agreement (the “**GSA**”), set out in the Credit Agreement, in which the Borrower as debtor, in favour of the Bank, as secured party, creating a security interest in all of its present and after-acquired personal property; and
- (ii) an Assignment from the Borrower over insured Account Receivables from Atradius including Holdback insurance policy with the Bank named as loss payee and Beneficiary (the “**Assignment**”).

The Bank, the Borrower and Business Development Bank of Canada are also parties to a Priority Agreement giving the Bank priority over accounts receivable and inventory of the Borrower.

Each of 1026970 B.C. Ltd., Vince Graham White and Keith Richard White agreed to postpone payment of all present and future debts, liabilities and obligations of the Borrower to the applicable postpone until all of the Borrower's obligations under the Credit Agreement are paid in full and all credits terminated.

Pursuant to the Credit Agreement, the Loan is repayable on demand. We are instructed by the Bank to demand payment of the full amount owing under the Loan and pursuant to the Credit Agreement.

As of November 20, 2020, the amount owing under the loan will be \$1,498,477.91 (the "**Outstanding Amount**").

We note that the Outstanding Amount are inclusive of interest to November 20, 2020, but does not include interest which will accrue after that date, amounts owing by the borrower with respect to professional fees and other costs and expenses to which the Bank is or may be entitled.

Payment of the Outstanding Amount should be made by bank draft or certified cheque within ten (10) days of the date of this letter (by Monday, November 30) to #340 – 8661 201st Street, Langley, BC, V2T 0G9, Attention: Lee Gogal. Prior to making payment, however, you should contact Mr. Gogal at 604-308-1657 for the Outstanding Amount on the date payment is made.

If payment of the Outstanding Amount is not made within ten (10) days of the date of this letter, the Bank will take such steps as it considers necessary to protect its rights and security, including but not limited to commencing action against the Borrower, without further notice to you. We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**Section 244 Notice**").

If you agree to the Bank proceeding prior to the expiry of the 10 day notice period set out in the enclosed Section 244 Notice, please sign and return the Consent and Waiver attached thereto.

If you have any questions or wish to discuss this matter further, please contact the writer as soon as possible.

Yours truly,

BORDEN LADNER GERVAIS LLP

By: 
Lisa C. Hiebert

Enclosure

FORM 86
PURSUANT TO THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3.
(Subsection 244(1))

NOTICE OF INTENTION TO ENFORCE SECURITY

TO: Westridge Mechanical Ltd.
3 – 7252 River Place
Mission, BC V4S 0A2

TAKE NOTICE THAT:

1. The Bank of Nova Scotia (“**Scotiabank**”), a secured creditor, intends to enforce its security on the property of the insolvent parties, Westridge Mechanical Ltd. (the “**Borrower**”), described below:
 - All present and after-acquired personal property of the Borrower
(the “**Collateral**”)
2. The security that is to be enforced includes the following:
 - A General Security Agreement dated December 27, 2019 granted by the Borrower in favour of Scotiabank, which was registered in the British Columbia Personal Property Registry on January 3, 2020 under Base Registration Number 984262L;
 - An Assignment from the Borrower over insured Account Receivables from Atradius including Holdback insurance policy with Scotiabank named as loss payee and Beneficiary; and
 - A Priority Agreement with the Borrower, Business Development Bank of Canada and Scotiabank, giving Scotiabank priority over Accounts Receivable and Inventory of the Borrower
(the “**Security**”).
3. The total amount of the indebtedness secured by the Security, as at November 20, 2020, is \$1,498,477.91 (the “**Outstanding Amount**”). The Outstanding Amount is inclusive of interest to November 20, 2020, but does not include interest that will continue to accrue from November 21, 2020, legal fees and expenses and all other costs recoverable pursuant to the security granted by Westridge to the Bank.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10 day period following the sending of this notice, unless the Westridge consents to an earlier enforcement.

Dated at Vancouver, British Columbia, on November 19, 2020.

The Bank of Nova Scotia
by its solicitor:

Lisa C. Hiebert - Solicitor

CONSENT AND WAIVER

THE UNDERSIGNED hereby pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act* waives the ten day period of notice required under Section 244 of the *Bankruptcy and Insolvency Act* (see extract below) and consents to the immediate enforcement by The Bank of Nova Scotia, of the Security referred to in the Section 244 Notice dated November 19, 2020.

DATED at _____, British Columbia, on _____, 2020, at ___ a.m./p.m.

Westridge Mechanical Ltd.

Per: _____

Extract from the Bankruptcy and Insolvency Act

Section 244. Advance Notice

- (1) A secured creditor who intends to enforce a security on all or substantially all of
- (a) the inventory,
 - (b) the accounts receivable, or
 - (c) the other property
- of an insolvent person that was acquired for, or is used in relation to a business carried on by the insolvent person shall send to that insolvent person, in the prescribed form and manner, a notice of that intention.
- (2) **Period of Notice.** - Where a notice is required to be sent under subsection (1), the secured creditor shall not enforce the security in respect of which the notice is required until the expiry of ten days after sending that notice, unless the insolvent person consents to an earlier enforcement of the security.
- (2.1) **No advance consent.** - [For the] purposes of subsection (2), consent to earlier enforcement of a security may not be obtained by a secured creditor prior to the sending of the notice referred to in subsection (1).
- (3) **Exception.** - This section does not apply, or ceases to apply in respect of a secured creditor
- (a) whose right to realize or otherwise deal with his security is protected by subsection 69.1(5) or (6); or
 - (b) in respect of whom a stay under sections 69 to 69.2 has been lifted pursuant to Section 69.4.
- (4) **Idem.** - This Section does not apply where there is a receiver in respect of the insolvent person.

This is **Exhibit "H"** referred to in Affidavit #1 of Cheryl
Conn made before me on this 22 day of January, 2021



A Commissioner for taking Affidavits for British Columbia

MARLENA McMURTRY
Barrister & Solicitor
BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
604-632-3483

Westridge Mechanical Ltd.
Accounts Payable as of December 9th, 2020

Liabilities	Amount
CRA Payroll Arrears - 2020	\$536,398.38
CRA Payroll Arrears - Penalties	\$47,887.22
GST Arrears	\$101,708.00
Corporate Tax 2019	\$116,955.36
EHT Arrears	\$73,916.97
Scotiabank	\$1,498,477.91
Warehouse Loan	\$637,400
Vendors/Suppliers	\$2,147,273.93
TOTAL	\$5,160,017.77

This is **Exhibit "I"** referred to in Affidavit #1 of Cheryl
Conn made before me on this 22 day of January, 2021.



A Commissioner for taking Affidavits for British Columbia

MARLENA McMURTRY
Barrister & Solicitor
BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
604-632-3483

Government
of CanadaGouvernement
du Canada

Canada Revenue Agency

[Logout](#)[My Business Account](#)

Outstanding returns and balances

Business number:

807027388

Business name:

WESTRIDGE MECHANICAL LTD.

Outstanding returns:

No

**Total outstanding
balance:**

\$217,958.27

Important information**Program account:****Corporation income tax account**

RC0001

Amount owing:\$116,279.03**GST/HST account**

RT0001

Amount owing:\$101,679.24

To request your Filing and balance confirmation (FBC) letter, go to the [FBC page](#).



Canada Revenue Agency

[Logout](#)

View account transactions - result

Account number

807027388 RC0001

Business name

WESTRIDGE MECHANICAL LTD.

[View account transactions](#)

Transactions for balance amounts, for the 2019-Aug-31 period-end, for the last year, from newest to oldest

Effective date	Period-end	Transactions	Date posted	Amount
2019-Dec-18	2019-Aug-31	Previous Balance		\$0.00
2020-Nov-21	2019-Aug-31	Arrears interest	2020-Nov-21	\$489.62
2020-Oct-21	2019-Aug-31	Arrears interest	2020-Oct-21	\$330.50
2020-Apr-21	2019-Aug-31	Arrears interest	2020-May-16	\$245.42 CR
2020-Apr-21	2019-Aug-31	Arrears interest	2020-Apr-21	\$188.83
2020-Mar-21	2019-Aug-31	Arrears interest	2020-Mar-21	\$357.93
2020-Mar-02	2019-Aug-31	(Re)assessment		\$114,745.32
	2019-Aug-31	Accrued arrears interest		\$412.25
2020-Dec-17	2019-Aug-31	Balance		\$116,279.03



Government
of Canada

Gouvernement
du Canada

Logout

Canada Revenue Agency

View account balance

Account number

807027388 RT0001

Business name

WESTRIDGE MECHANICAL LTD.

Outstanding balance

Your amount owing: \$101,679.24

Interim balance

Your current interim balance: \$0.00

Period-end balances (select the link to view account transactions)

Period-end	Interim balance	Balance
2020-Oct-31	\$0.00	\$0.00
2020-Sep-30	\$0.00	\$6,419.51
2020-Aug-31	\$0.00	\$7,618.49
2020-Jul-31	\$0.00	\$28,285.67
2020-Jun-30	\$0.00	\$6,310.89
2020-May-31	\$0.00	\$19,752.45
2020-Apr-30	\$0.00	\$16,195.06
2020-Mar-31	\$0.00	\$17,097.17
2020-Feb-29	\$0.00	\$0.00
2020-Jan-31	\$0.00	\$0.00
2019-Dec-31	\$0.00	\$0.00
2019-Nov-30	\$0.00	\$0.00
2019-Oct-31	\$0.00	\$0.00
2019-Sep-30	\$0.00	\$0.00
2019-Aug-31	\$0.00	\$0.00
2019-May-31	\$0.00	\$0.00

WESTRIDGE MECHANICAL LTD
2020 SUMMARY OF PAYROLL ARREARS

Month	QB PD7A	Reported	Remitted	Balance Owing
January	42,530.70	42,530.70	42,530.70	-
	93,717.96	93,717.96	93,717.96	-
February	66,725.21	66,725.21	66,725.21	-
	62,814.96	62,814.96	62,814.96	-
March	63,957.43	63,957.43	1,000.00	62,957.43
	51,595.22	51,595.22	1,000.00	50,595.22
April	42,735.61	42,735.61	1,000.00	41,735.61
	62,897.09	62,897.09	62,897.09	-
May	48,972.92			48,972.92
	47,838.69	47,838.69	6,000.00	41,838.69
June	67,540.14	67,540.14	1,000.00	66,540.14
	47,345.46	47,345.46	47,345.46	-
July	51,754.68	51,754.68	51,754.68	-
	41,455.32	41,455.32	41,455.32	-
August	42,954.09	42,954.09	3,257.58	39,696.51
	48,738.01	48,434.52	48,434.52	-
September	49,287.70			49,287.70
	32,414.12			32,414.12
October	32,918.84			32,918.84
	29,749.56			29,749.56
November	28,577.77			28,577.77
	828.20			828.20
December	10,449.70			
				526,112.71
				- 25,000.00
TOTAL	1,067,799.38	834,297.08	530,933.48	501,112.71

Your estimated employer health tax amount is

\$ 39,987.97 CAD

Since your employer health tax is over \$2,925.00, you are required to make quarterly instalment payments. The instalment payment due dates are:

- June 15
- September 15
- December 15
- March 31 - Final payment with return

Your instalment payments are estimated to be

\$ 9,996.99 CAD

[Previous](#)[Return to Employer Health Tax Page](#)



Confirmation

Your **Employer Health Tax Return** has been submitted and your confirmation number is **1-588-286-592**. You can review or change this request until it is processed. We estimate that this request will be processed at the end of the next business day.

Request Information

Status	Submitted
Status Date	21-Dec-2020 13:15:21
Confirmation Number	1-588-286-592
Logon	WestridgeEHT
BN15	80702 7388 BT 0001
Name	WESTRIDGE MECHANICAL LTD.
Employer Health Tax	EHT-1129-3114
Period Covered	01-Jan-2019 to 31-Dec-2019
Total Due	\$67,880.63
Filing Period	31-Dec-2019

This is **Exhibit "J"** referred to in Affidavit #1 of Cheryl
Conn made before me on this 22 day of January, 2021.



A Commissioner for taking Affidavits for British Columbia

MARLENA McMURTRY
Barrister & Solicitor

BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
604-632-3483

January 21, 2021

Borden Ladner Gervais LLP
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600
Vancouver, BC
V7X 1T2

Attention: Lisa Hiebert and Marlena McMurtry

Dear Sirs and Mesdames:

Re: Westridge Mechanical Ltd. (the "Debtor")

It is our understanding that a Notice of Application will be filed with the Supreme Court of British Columbia, seeking a Bankruptcy Order against the Debtor and its property.

This confirms that MNP Ltd. consents to act as the Licensed Insolvency Trustee of the bankrupt estate and is a proper person to act in that capacity.

Yours very truly,


MNP Ltd.

Per: Patty E. Wood CPA, CGA, CIRP, LIT
Senior Vice President

/pw

District of Vancouver
Division of Vancouver
Court No. B-210053
Estate No. 11-254317

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY
IN THE MATTER OF THE BANKRUPTCY OF
WESTRIDGE MECHANICAL LTD.

AFFIDAVIT #1 OF CHERYL CONN

BORDEN LADNER GERVAIS LLP
Barristers & Solicitors
1200 Waterfront Centre
200 Burrard Street
P.O. Box 48600
Vancouver, British Columbia, Canada V7X 1T2
Telephone: (604) 632-3425
Attention: Lisa Hiebert
Client No. 550929/28