

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

-and-

CNS IRON FABRICATION LTD. and CLAEYS FAMILY HOLDINGS INC.

Respondents

APPLICATION RECORD OF THE APPLICANT

Returnable May 13, 2022

May 4, 2022

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Barristers & Solicitors
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Royal Bank of Canada

TO: SERVICE LIST

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Tab 1



Electronically issued : 04-May-2022
Délivré par voie électronique
Toronto

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

ROYAL BANK OF CANADA

Applicant

-and-

CNS IRON FABRICATION LTD. and CLAEYS FAMILY HOLDINGS INC.

Respondents

NOTICE OF APPLICATION

**APPLICATION UNDER SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT,
RSC 1985, C. B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT,
R.S.O. 1990, C.C.43**

TO THE RESPONDENTS:

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

THIS APPLICATION will come on for a hearing:

- In person
- By telephone conference
- By video conference

at the following location:

On May 13, 2022 at 12:30 p.m. or as soon after that time as the application can be heard by judicial teleconference via Zoom at Toronto, Ontario. Zoom particulars to follow.

IF YOU WISH TO OPPOSE THIS APPLICATION, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38C prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant do not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you

or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer, or where the applicant do not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2 p.m. on the day before the hearing.

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

Date:

Issued by _____

Registrar
Superior Court of Justice
Commercial List
7th Floor, 330 University
Avenue, Toronto M5G 1R7

TO: Service List Attached

SERVICE LIST

TO: **DICKINSON WRIGHT LLP**
199 Bay Street, Suite 2200
Commerce Court West
Toronto, ON M5L 1G4

Attention: John D. Leslie (LSO #29956P)
Tel: 416-646-3801
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Email: JLeslie@dickinsonwright.com

Lawyers for the Respondents

AND

TO: **MNP LTD.**
111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4

Attention: Rob Smith
Tel: 519-964-2212
Email: rob.smith@mnp.ca

Proposed Receiver

AND

TO: **TORKIN MANES LLP**
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Attention: Stewart Thom (LSO #55695C)
Tel: 416-777-5197
Fax: 1-877-689-3872
Email: sthom@torkinmanes.com

Lawyers for Salvatore Castelli Jr., Congetta Bove,
and 1946 Castelli Holdings Inc.

AND

TO: **CANADA REVENUE AGENCY**
c/o Department of Justice
Ontario Regional Office
120 Adelaide St. W., Suite 400
Toronto, ON M5H 1T1

Attention: Rakhee Bhandari
Tel: 416-952-8563
Email: rakhee.bhandari@justice.gc.ca

AND

TO: **HER MAJESTY THE QUEEN IN RIGHT
OF ONTARIO AS REPRESENTED BY
THE MINISTRY OF FINANCE**
Revenue Collections Branch – Insolvency Unit
33 King Street W., P.O. Box 627
Oshawa, ON L1H 8H5
Email: insolvency.unit@ontario.ca

AND

TO: **TD AUTO FINANCE (CANADA) INC.**
P.O. Box 4086
Station A
Toronto, ON M5W 5K3

AND

TO: **CANADIAN DEALER LEASE SERVICES INC.**
372 Bay Street, Suite 1800
Toronto, ON M5H 2W9

THE APPLICATION IS FOR:

The Applicant, Royal Bank of Canada (the “**Bank**”), seeks the following relief:

1. An order (the “**Appointment Order**”) substantially in the form attached hereto as Schedule “A”, *inter alia*, appointing MNP Ltd., as Receiver (“**MNP**”, or the “**Receiver**”), without security, of all of the assets, undertakings and properties of the Respondents, CNS Iron Fabrication Ltd. (“**CNS**”) and Claeys Family Holdings Inc. (“**Holdco**”, collectively with CNS, the “**Debtors**”), acquired for, or used in relation to a business or businesses carried on by the Respondents;
2. That the time for service, filing and confirming of the Notice of Application and the Application Record be abridged and validated so that this application is properly returnable today and dispensing with further service thereof; and,
3. Such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE APPLICATION ARE:

The Respondent

1. The Respondent, CNS, is a corporation incorporated pursuant to the laws of the Province of Ontario, and operates as a manufacturer of custom metal construction forms and formwork, from its business premises located in Bolton, Ontario.
2. The Respondent, Holdco, is a corporation incorporated pursuant to the laws of the Province of Ontario, and acts as a property holding company from its head office located in LaSalle, Ontario.
3. The Debtors are each direct borrowers from the Bank, and have each also guaranteed the obligations of the other Debtor to the Bank.

The Financing and the Bank's Security

CNS Financing

4. As of April 8, 2022, CNS was indebted to the Bank in the amount of \$3,202,263.20, including costs and legal fees paid to date, plus accruing interest and the Bank's continuing costs of enforcement (the "**CNS Indebtedness**") in respect of financing advanced to CNS pursuant to the terms of a Letter Agreement dated October 7, 2021, as amended by Amending Agreement dated January 19, 2022 and by Default/Amending Agreement dated March 14, 2022 (the "**2022 CNS Agreement**") (collectively, the "**CNS Letter Agreement**").

5. The credit facilities established by the CNS Letter Agreement are:
 - a. Revolving Demand Facility: in the amount of \$2,500,000, issued under the Export Development Canada ("**EDC**"), which was temporarily increased to \$2,700,000 between February 23, 2022 and March 11, 2022, and further increased to \$3,000,000 until April 11, 2022 pursuant to the 2022 CNS Agreement (this increase, hereinafter, the "**TAR**"); and
 - b. Other Facility – Credit Card: to a maximum amount of \$100,000 available in Canadian currency and US currency, as governed by the RBC Royal Bank Visa Business Card Agreement dated March 2, 2021.

(collectively, the "**CNS Financing**")

6. The Bank holds, *inter alia*, the following personal property security over the property of CNS as security for the CNS Financing:
 - a. General Security Agreement dated April 6, 2021 from CNS (the "**CNS GSA**");

- b. Security Agreement (Accounts Receivable) dated October 8, 2021 from CNS (the “**CNS A/R Security Agreement**”);
- c. Security Agreement (Inventory) dated October 8, 2021 from CNS (the “**CNS Inventory Security Agreement**”); and,
- d. Guarantee and Postponement of Claim from Holdco dated February 27, 2021, unlimited in sum (the “**Holdco Guarantee**”), supported by a General Security Agreement dated February 27, 2021 (the “**Holdco GSA**”, collectively with the CNS GSA, the “**GSA’s**”).

(collectively, the “**CNS Security**”)

Holdco Financing

7. As of April 8, 2022, Holdco was indebted to the Bank in the amount of \$2,178,558.54, plus accruing interest and the Bank’s continuing costs of enforcement (the “**Holdco Indebtedness**”, collectively with the CNS Indebtedness, the “**Indebtedness**”) in respect of financing advanced to Holdco pursuant to the terms of a Letter Agreement dated February 23, 2021, and amended by Amending Agreements dated April 5, 2021 and October 8, 2021 (collectively, the “**Holdco Letter Agreement**”).
8. The credit facilities established by the Holdco Letter Agreement are:
 - a. Non-Revolving Term Facility: in the amount of \$2,700,000 (the “**Holdco Financing**”)
9. The Bank holds the following security over the property of Holdco, as security for the Holdco Financing:
 - a. The Holdco GSA; and,

- b. Guarantee and Postponement of Claim from CNS dated April 6, 2021, unlimited in sum, supported by the CNS GSA.

(collectively, the “**Holdco Security**”, collectively with the CNS Security, the “**Security**”, or the “**Bank’s Security**”)

The Bank’s Security Interest in the Respondents’ Personal Property

10. The Bank has registered Financing Statements against each of the Debtors pursuant to the provisions of the *Personal Property Security Act* (Ontario) (the “**PPSA**”) to perfect its security interest in the property of the Debtors secured under the GSA’s, and in the personal property of CNS secured under the CNS A/R and Inventory Security Agreements.
11. The Personal Property Security Registration System Search Results for the Debtors confirm that the Bank has a perfected security interest in the personal property of the Debtors. All other creditors having a security interest in the personal property of the Debtors have been served with the within motion.

Defaults, Financial Advisor, and Demands

12. As communicated by the Bank and its counsel to the Debtors by way of emails, the Debtors defaulted under the terms of the CNS Financing and the Holdco Financing, as follows:
 - a. With regard to both Debtors:
 - i. Significant operating losses by CNS, which are expected to put the Debtors offside of their combined, year-end financial covenants under the CNS and Holdco Letter Agreements;
 - ii. Inability of the Debtors’ owner to inject additional equity in order to resolve

current cashflow issues; and,

iii. General deterioration of the Debtors' financial status.

b. With regard to CNS specifically:

i. Working capital shortfalls, resulting in CNS borrowing in excess of the credit limits of the CNS Financing; and,

ii. Failure to repay the TAR by April 11, 2022.

c. With regard to Holdco specifically:

i. Holdco has failed to make payment on the Holdco Financing when due on April 6, 2022, and is expected to miss the payment due and owing on May 6, 2022.

(collectively, the "**Defaults**")

13. As a result of the Defaults, the Bank did appoint MNP as Financial Advisor on April 8, 2022, in order to assess CNS' present financial condition, the Bank's Security condition, and the future viability of CNS' operations.
14. Concurrently with the appointment of MNP as Financial Advisor, the Bank did deliver to the Debtors a demand for payment and a Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**"), each dated April 8, 2022. The Bank also delivered demands to the guarantors of the Debtors, including Holdco and CNS in such capacity, also dated April 8, 2022 (collectively, the "**Demands**"). The time period under the Demands have expired.
15. The Debtors have failed to repay the respective CNS and Holdco Indebtedness due despite the Demands.

The Appointment of a Receiver

16. The Indebtedness due pursuant to the Demands have not been paid. The ten (10) day period under section 244 of the *BIA* has expired. The Bank is in a position to appoint a receiver over the assets and property of the Debtors pursuant to section 243 of the *BIA*.

The Property

17. The provisions of the Bank's Security provide the Bank with the power to appoint a Receiver over all of the personal property of the Debtors as secured by the GSAs, and over all property of CNS secured by the CNS Inventory Security Agreement.

The Bank's Position

18. The Debtors are in Default of their respective Financing, which Defaults continue.
19. The Debtors are insolvent. The Demands have expired, and the Bank is in a position to seek the order appointing the Receiver, pursuant to the provisions of the GSA's and the CNS Inventory Security Agreement.
20. No further credit nor banking services are available to the Debtors.
21. Holdco has failed to make payments on the Holdco Financing when due, and CNS has failed to repay the TAR when due and owing.
22. MNP's findings in its capacity as Financial Advisor indicates that the Debtors' financial position will continue to deteriorate, which will degrade the value of the Bank's Security.
23. A Receiver is necessary to (i) complete an orderly sale of CNS' business and apply any proceeds of such sale to the Indebtedness, and (ii) deal with the management of the Debtor's business while any such sale process is undertaken, if necessary.

24. The Debtors are seeking refinancing, however, given CNS' operational and financial issues, as well as the debt load currently carried by the Debtors, it is unlikely that the Debtors will be able to secure refinancing in a sum sufficient to repay the Indebtedness.
25. It is the Bank's position that the appointment of the Receiver is just and equitable and is necessary for the protection of the estate of the Debtors, and the interests of the Bank, as secured creditor, and other stakeholders.
26. The Bank proposes that MNP be appointed as Receiver, without security, over all personal property of the Debtors, as secured by the GSA's and by the CNS Inventory Security Agreement.
27. MNP has consented to act as Receiver should this Honourable Court so appoint it.
28. Section 243 of the *Bankruptcy and Insolvency Act, R.S.C., 1985, c. B-3, as amended*.
29. Section 101 of the *Courts of Justice Act, R.S.O. 1990, c. C.43, as amended*.
30. Rule 3, 14, 38 and any other applicable Rule of the *Rules of Civil Procedure*.
31. Such further and other grounds as counsel may advise.

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

1. The Notice of Application and all Schedules thereto;
2. The Affidavit of Scott Thornhill, to be sworn, and all Exhibits thereto;
3. The First Report of MNP as Proposed Receiver, to be filed;
4. The Consent of the Receiver; and,

5. Such further and other material as counsel may advise and this Honourable Court may permit.

May 4, 2022

HARRISON PENZA LLP

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Lawyers for the Applicant,
Royal Bank of Canada

Schedule "A-1" – Appointment Order (Clean)

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) FRIDAY, THE 13th
)
JUSTICE GILMORE) DAY OF MAY, 2022
)

ROYAL BANK OF CANADA

Applicant

- and -

CNS IRON FABRICATION LTD. and CLAEYS FAMILY HOLDINGS INC.

Respondents

ORDER
(Appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing MNP Ltd. as receiver [and manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of CNS Iron Fabrication Ltd. and Claeys Family Holdings Inc. (collectively, the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, was heard this day by judicial videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Scott Thornhill sworn [DATE] and the Exhibits thereto, the First Report of the Proposed Receiver dated [DATE], and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit

of service of [NAME] sworn [DATE] and on reading the consent of MNP Ltd. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary

course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating

such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$25,000, provided that the aggregate consideration for all such transactions does not exceed \$75,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors, or any of them, or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors, or any of them, or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may

be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such

personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including, but not limited to, any illness or bodily harm resulting from a party or parties contracting COVID-19, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing

in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the

payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

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

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true

copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

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

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

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

31. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate(s) with such priority and at such time as this Court may determine.

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

Justice, Ontario Superior Court of Justice

Commercial List

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties of CNS Iron Fabrication Ltd. and Claeys Family Holdings Inc. (the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

MNP Ltd., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

ROYAL BANK OF CANADA

CNS IRON FABRICATION LTD., *et al.*

v.

Applicant

Respondents

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

ORDER

HARRISON PENZA LLP
Barristers & Solicitors
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London, Ontario N6A 5J6

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rdanter@harrisonpenza.com

Lawyers for the Applicant,
Royal Bank of Canada

Schedule "A-2" – Appointment Order (Blacklined)

Revised: January 21, 2014
s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEEKDAYFRIDAY, THE # 13th
JUSTICE GILMORE) DAY OF MONTHMAY, 20YR2022

Formatted: Superscript

PLAINTIFF¹ROYAL BANK OF CANADA

PlaintiffApplicant

- and -

CNS IRON FABRICATION LTD. and CLAEYS FAMILY HOLDINGS
INC.DEFENDANT

DefendantRespondents

ORDER
(~~appointing~~ Appointing Receiver)

THIS ~~MOTION APPLICATION~~ made by the Plaintiff²Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing [RECEIVER'S NAME]MNP Ltd. as receiver [and manager] (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of CNS Iron Fabrication Ltd. and Claeys Family Holdings Inc.[DEBTOR'S NAME] (collectively, the

¹The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

²Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

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"Debtors") acquired for, or used in relation to a business carried on by the Debtors, was heard this day by judicial videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Scott Thornhill [NAME] sworn [DATE] and the Exhibits thereto, the First Report of the Proposed Receiver dated [DATE], and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of [RECEIVER'S NAME]MNP Ltd. to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion Application and the Motion Application is hereby abridged and validated² so that this motion application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, [RECEIVER'S NAME]MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

³ If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

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

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- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$~~_____~~, \$25,000, provided that the aggregate consideration for all such transactions does not exceed \$_____; \$75,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~or section 31 of the Ontario *Mortgages Act*, as the~~

~~⁴ This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

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~~case may be,⁵ shall not be required, and in each case the Ontario Bulk Sales Act shall not apply.~~

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of ~~the~~ Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

~~⁵If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

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and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of ~~its~~ the Debtors' current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, or any of them, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto

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paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

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

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors, or any of them, or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

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NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors ~~is~~ are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

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RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

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identical to the prior use of such information by the Debtor^s, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, [including, but not limited to, any illness or bodily harm resulting from a party or parties contracting COVID-19](#), save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver

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shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed ~~\$~~ \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in

⁶Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

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favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

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

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the [Debtor's Debtors'](#) creditors or other interested parties at their respective addresses as last shown

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on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

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

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

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

31. THIS COURT ORDERS that the ~~Plaintiff-Applicant~~ shall have its costs of this ~~motion~~ application, up to and including entry and service of this Order, provided for by the terms of the ~~Applicant~~ Plaintiff's security or, if not so provided by the ~~Applicant~~ Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor's~~ Debtors' estate(s) with such priority and at such time as this Court may determine.

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

32.

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Justice, Ontario Superior Court of Justice

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Commercial List

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SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~RECEIVER'S NAME~~ MNP Ltd., the receiver (the "Receiver") of the assets, undertakings and properties ~~DEBTOR'S NAME~~ of CNS Iron Fabrication Ltd. and Claeys Family Holdings Inc. (the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

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to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

MNP Ltd. [RECEIVER'S NAME], solely in its
capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

ROYAL BANK OF CANADA

CNS IRON FABRICATION LTD., *et al.*

v.

Applicant

Respondents

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

ORDER

HARRISON PENZA LLP
Barristers & Solicitors
450 Talbot Street
London, Ontario N6A 5J6

**Timothy C. Hogan (LSO #36553S)
Robert Danter (LSO #69806O)**

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Lawyers for the Applicant,
Royal Bank of Canada

ROYAL BANK OF CANADA

v.

CNS IRON FABRICATION LTD., *et al.*

Applicant

Respondents

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**ONTARIO
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PROCEEDING COMMENCED AT TORONTO

NOTICE OF APPLICATION

HARRISON PENZA LLP
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Lawyers for the Applicant,
Royal Bank of Canada

Tab 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

-and-

CNS IRON FABRICATION LTD. and CLAEYS FAMILY HOLDINGS INC.

Respondents

**AFFIDAVIT OF SCOTT THORNHILL
(sworn May 4, 2022)**

I, **Scott Thornhill**, of the City of London, in the Province of Ontario, **MAKE**

OATH AND SAY:

- 1. I am a Senior Manager, Special Loans & Advisory Services, with the Applicant, Royal Bank of Canada (the “**Bank**”) and as such have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary these matters are within my own knowledge and are true. Where I have indicated that I have obtained facts from other sources, I have identified the source and I believe those facts to be true.

The Debtors

- 2. The Respondent, CNS Iron Fabrication Ltd. (“**CNS**”) is a corporation incorporated pursuant to the laws of the Province of Ontario, and operates as a manufacturer of custom metal construction forms and formwork, from its business premises

located in Bolton, Ontario. Attached hereto to this my affidavit and marked as **Exhibit “A”** is a true copy of the corporate profile search results for CNS.

3. The Respondent, Claeys Family Holdings Inc. (“**Holdco**”, collectively with CNS, the “**Debtors**”) is a corporation incorporated pursuant to the laws of the Province of Ontario, and acts as a property holding company from its head office located in LaSalle, Ontario. Holdco was previously known as “McGeorge Claeys Investments Inc.” until August 19, 2021. Attached hereto to this my affidavit and marked as **Exhibit “B”** is a true copy of the corporate profile search results for Holdco.
4. Robert (Bob) Claeys (“**Claeys**”) is the principal of each of the Debtors.
5. The Debtors have defaulted under the Financing as follows (all capitalized terms not otherwise defined are as defined below):
 - a. With regard to both Debtors:
 - i. Significant operating losses by CNS, which are expected to put the Debtors offside of their combined, year-end Financial Covenants under the CNS and Holdco Letter Agreements;
 - ii. Inability of the Debtors’ owner to inject additional equity in order to resolve current cashflow issues; and,
 - iii. General deterioration of the Debtors’ financial status.
 - b. With regard to CNS specifically:
 - i. Working capital shortfalls, resulting in CNS borrowing in excess of the credit limits of the CNS Financing; and,

- ii. Failure to repay the TAR by April 11, 2022.
- c. With regard to Holdco specifically:
 - i. Holdco has failed to make payment on the Holdco Financing when due on April 6, 2022, and is expected to miss the payment due and owing on May 6, 2022.

(collectively, the “**Defaults**”)

The CNS Financing

- 6. As of April 8, 2022, CNS was indebted to the Bank in the amount of \$3,202,263.20, including costs and legal fees paid to date, plus accruing interest and the Bank’s continuing costs of enforcement (the “**CNS Indebtedness**”) in respect of financing advanced to CNS pursuant to the terms of a Letter Agreement dated October 7, 2021, as amended by Amending Agreement dated January 19, 2022 and by Default/Amending Agreement dated March 14, 2022 (the “**2022 CNS Agreement**”) (collectively, the “**CNS Letter Agreement**”). Attached hereto to this my affidavit and marked collectively as **Exhibit “C”** is a true copy of the Letter Agreement dated October 7, 2021, and the Amending Agreement dated January 19, 2022. Attached hereto to this my affidavit and marked as **Exhibit “D”** is a true copy of the 2022 CNS Agreement.
- 7. The credit facilities established by the Letter Agreement are:
 - a. Revolving Demand Facility: in the amount of \$2,500,000, issued under the Export Development Canada Trade Expansion Lending Program, which was temporarily increased to \$2,700,000 between February 23, 2022 and March 11, 2022, and further increased to \$3,000,000 until April

11, 2022 pursuant to the 2022 CNS Agreement (this increase, hereinafter, the “**TAR**”); and

- b. Other Facility – Credit Card: to a maximum amount of \$100,000 available in Canadian currency and US currency, as governed by the RBC Royal Bank Visa Business Card Agreement dated March 2, 2021 (the “**Visa**”).

(collectively, the “**CNS Financing**”)

- 8. A second revolving demand facility established under the CNS Letter Agreement was terminated by way of the Amending Agreement dated January 19, 2022.
- 9. Each of the CNS Letter Agreement and the Holdco Letter Agreement contain the following combined financial covenants as between CNS and Holdco, to be measured at the end of each fiscal year (March 31):
 - a. ensure, to be measured as at the end of each fiscal year, a ratio Funded Debt to EBITDA of not greater than 4.25:1, reducing to 3.75:1 as of fiscal year ending March 31, 2023 and further reducing to 3.25:1 as of fiscal year ending March 31, 2024 and thereafter maintain to be measured as at the end of each fiscal year, a ratio of Funded Debt to EBITDA of not greater than 3.25:1.
 - b. Fixed Charge Coverage of not less than 1.25:1.

(collectively, the “**Financial Covenants**”)

- 10. The Bank holds the following security over the property of CNS, as security for the CNS Financing:

- a. General Security Agreement dated April 6, 2021 from CNS (the “**CNS GSA**”) Attached hereto to this my affidavit and marked as **Exhibit “E”** is a true copy of the CNS GSA.
- b. Security Agreement (Accounts Receivable) dated October 8, 2021 from CNS (the “**CNS A/R Security Agreement**”). Attached hereto to this my affidavit and marked as **Exhibit “F”** is a true copy of the CNS A/R Security Agreement;
- c. Security Agreement (Inventory) dated October 8, 2021 from CNS (the “**CNS Inventory Security Agreement**”). Attached hereto to this my affidavit and marked as **Exhibit “G”** is a true copy of the CNS Inventory Security Agreement; and,
- d. Guarantee and Postponement of Claim from Holdco dated February 27, 2021, unlimited in sum (the “**Holdco Guarantee**”), supported by a General Security Agreement dated February 27, 2021 (the “**Holdco GSA**”). Attached hereto to this my affidavit and marked as **Exhibit “H”** is a true copy of the Holdco Guarantee. Attached hereto to this my affidavit and marked as **Exhibit “I”** is a true copy of the Holdco GSA;

(collectively, the “**CNS Security**”)

The Holdco Financing

11. As of April 8, 2022, Holdco was indebted to the Bank in the amount of \$2,178,558.54, plus accruing interest and the Bank’s continuing costs of enforcement (the “**Holdco Indebtedness**”, collectively with the CNS Indebtedness, the “**Indebtedness**”) in respect of financing advanced to Holdco

pursuant to the terms of a Letter Agreement dated February 23, 2021, and amended by Amending Agreements dated April 5, 2021 and October 8, 2021 (collectively, the “**Holdco Letter Agreement**”). Attached hereto to this my affidavit and marked collectively as **Exhibit “J”** is a true copy of the Holdco Letter Agreement.

12. The credit facilities established by the Holdco Letter Agreement are:
 - a. Non-Revolving Term Facility: in the amount of \$2,700,000 (the “**Holdco Financing**”)

13. The Bank holds the following security over the property of Holdco, as security for the Holdco Financing:
 - a. The Holdco GSA, attached above as Exhibit “I”;

 - b. Guarantee and Postponement of Claim from CNS dated April 6, 2021, unlimited in sum (the “**CNS Guarantee**”), supported by the CNS GSA attached above as Exhibit “E”. Attached hereto to this my affidavit and marked as **Exhibit “K”** is a true copy of the CNS Guarantee.

(collectively, the “**Holdco Security**”, collectively with the CNS Security, the “**Security**”, or the “**Bank’s Security**”)

The Bank’s Security Interest in the Personal Property of the Debtors

The GSA’s

14. The CNS GSA and the Holdco GSA (collectively, the “**GSAs**”) contain identical terms, and secure the following personal property of the respective Debtors:

1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to ROYAL BANK OF CANADA ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- i. all inventory of whatever kind and wherever situate;*
- ii. all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;*
- iii. all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");*
- iv. all lists, records and files relating to Debtor's customers, clients and patients;*
- v. all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;*
- vi. all contractual rights and insurance claims;*
- vii. all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property");*

viii. all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

The CNS A/R Security Agreement

15. The CNS A/R Security Agreement secures the following personal property of CNS:

1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to ROYAL BANK OF CANADA ("RBC"), a security interest (the "Security Interest") in the following:

- the Intangibles of Debtor described in Schedule "C" hereto and in any additional Schedules from time to time added hereto, (hereinafter called "Debts"), and in all proceeds and renewals thereof and substitutions therefor and in the following described property of the Debtor namely:

all lists, records and files relating to Debtor's customers, clients and patients,

all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts or the proceeds thereof or by which Debts or the proceeds thereof are or may hereafter be secured, evidenced, acknowledged or made payable (including Chattel Paper, Securities and Instruments), now owned or hereafter owned or acquired by or on behalf of Debtor, and

all Money (other than trust money lawfully belonging to others) hereafter received by or on behalf of Debtor in payment or satisfaction of Debts,

all of the foregoing being hereinafter collectively called "Collateral".

2. INDEBTEDNESS SECURED

The Security Interest granted by Debtor to RBC secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate unpaid balance thereof, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

The CNS Inventory Security Agreement

16. The CNS Inventory Security Agreement secures the following personal property of CNS:

1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to ROYAL BANK OF CANADA ("RBC"), a security interest (the "Security Interest") in the following:

- the inventory of Debtor described in Schedule "C" hereto and in any additional Schedules from time to time added hereto, (which term includes such inventory as may be returned to or repossessed by Debtor) and in all proceeds thereof and in all of the following now owned or hereafter owned or acquired by or on behalf of Debtor, namely:

all lists, records and files relating to Debtor's customers, clients and patients,

all deeds, documents, writings, papers and books relating to or being records of Inventory or its proceeds or by which Inventory or the proceeds are or may hereafter be secured, made payable, evidenced or acknowledged, including Securities, Chattel Paper, Instruments and Documents of Title, and

all contractual rights, insurance claims, patents, trademarks, copyrights and other industrial property relating to Inventory,

all of the foregoing being hereinafter collectively called "Collateral".

2. INDEBTEDNESS SECURED

The Security Interest granted by Debtor to RBC secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon), present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

17. The Bank has registered Financing Statements as against each of the Debtors pursuant to the provisions of the *Personal Property Security Act* (Ontario) (the "PPSA") to perfect its security interest in the personal property of the Debtors secured under the GSAs, and in the personal property of CNS secured under the CNS A/R and Inventory Security Agreements.

CNS

18. The Personal Property Security Registration System Search Results for CNS confirms that the Bank holds a perfected security interest in the personal property of CNS as secured by the CNS GSA, and under the CNS A/R and Inventory Security Agreements. Attached hereto to this my affidavit and marked as **Exhibit "L"** is a true copy of the Personal Property Security Registration System Search Results for CNS, current to May 2, 2022.
19. The majority of non-Bank PPSA registrations as against CNS appear to be property-specific.
20. There are two (2) non-Bank general security registrations as against CNS, in favour of Congetta Bove and Salvatore Castelli Jr.
21. The Bank is aware that each of Mr. Bove and Mr. Castelli Jr. are former owners

of CNS. The general security registrations of these individuals are subsequent to that of the Bank.

Holdco

22. The Personal Property Security Registration System Search Results for Holdco confirms that the Bank holds a perfected security interest in the personal property of Holdco as secured by the Holdco GSA. Attached hereto to this my affidavit and marked as **Exhibit “M”** is a true copy of the Personal Property Security Registration System Search Results for Holdco, current to May 2, 2022.
23. There are no other secured creditors of Holdco with registrations under the PPSA aside from that of the Bank.

Defaults and Financial Advisor

24. On March 2, 2022, the Bank sent a letter to each of the Debtors (the “**Default Letter**”), and a third company, CNS Automotive Fabrication Inc., advising that the Debtors would be transferred to the Bank’s Special Loans and Advisory Services group as a result of, *inter alia*, the following Defaults:
 - a. Working capital shortfalls, resulting in CNS borrowing in excess of the credit limits of the CNS Financing;
 - b. Operating losses by CNS, which are expected to put the Debtors offside of their combined, year-end financial covenants under the CNS and Holdco Letter Agreements;
 - c. Inability of the Debtors’ owner to inject additional equity in order to resolve current cashflow issues; and,
 - d. General deterioration of the Debtors’ financial status.

Attached hereto to this my affidavit and marked as **Exhibit “N”** is a true copy of the Default Letter.

25. The principal of the Debtors, Claeys, has also advised the Bank that the Debtors will fail to meet their Financial Covenants for fiscal year ending March 31, 2022, which conclusion is also supported by the findings of the Financial Advisor (as defined below).
26. On March 14, 2022, and following the Default Letter, the Bank did provide CNS with the 2022 CNS Agreement, which was executed on the same date by CNS and Holdco, as guarantor. In addition to temporarily increasing the limit of Facility #2 under the CNS Financing by way of the TAR, the 2022 CNS Agreement contained the following terms:
 - a. Confirmation of the Defaults, including CNS' cash flow and liquidity issues, working capital shortfall, and excess borrowings under the CNS Financing;
 - b. That, notwithstanding the contents of the 2022 CNS Agreement, the Bank reserved all rights in relation to the CNS Financing and the CNS Letter Agreement, and all Security provided thereunder;
 - c. CNS and Holdco acknowledged the validity and continuing binding nature of the CNS Security.
27. On April 6, 2022, Holdco failed to make payment on the Holdco Financing when due, constituting a default thereunder.
28. On April 8, 2022, the Bank did email Claeys, on behalf of the Debtors, to advise:

- a. That CNS was borrowing in excess of the credit limit under the CNS Financing;
- b. That Holdco had failed to make the April payment on the Holdco Financing;
- c. That the Debtors' accounts would be placed in "deposit only" until both the excess borrowings were repaid, and Holdco's normal monthly payment was made;
- d. That the TAR was expiring on April 11, 2022, with all borrowings under the increase due and payable at that time;
- e. That certain documents, such as cash flow forecasts to June 15, 2022, balance sheet as at February 28, 2022, and confirmation that CNS' HST and employee source deductions accounts with the Canada Revenue Agency were current, would be required to extend the repayment date for the TAR beyond April 11, 2022; and,
- f. Given the Debtors' financial deterioration, the Bank would proceed to issue demands.

Attached hereto to this my affidavit and marked as **Exhibit "O"** is a true copy of the email dated April 8, 2022, redacted only to exclude communications as between the Bank and its solicitors.

29. On April 8, 2022, and as a result of the continuing Defaults at that time and the Bank's concerns regarding CNS' financial status, MNP Ltd. was appointed as Financial Advisor over CNS (in such capacity, the "**Financial Advisor**"), pursuant to the terms of an Engagement Letter dated April 8, 2022, in order to assess

CNS' present financial condition, the Bank's Security condition, and the future viability of CNS' operations. Attached hereto to this my affidavit and marked collectively as **Exhibit "P"** is a true copy of the Engagement Letter dated April 8, 2022, and of the executed Acknowledgement and Consent to the appointment of the Financial Advisor by CNS.

Demands

30. As a result of the Defaults, and concurrently with the appointment of the Financial Advisor, the Bank did also deliver to the Debtors a demand for payment and a Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**"), each dated April 8, 2022. The Bank also delivered demands to the guarantors of the Debtors, including Holdco and CNS in such capacity, also dated April 8, 2022 (collectively, the "**Demands**"). All statutory notice periods in relation to the Demands have expired. Attached hereto to this my affidavit and marked as **Exhibits "Q"** and "**R"** are true copies of the Demands.
31. The Debtors have failed to repay the respective CNS and Holdco Indebtedness due despite the Demands.
32. On April 11, 2022, counsel for the Bank provided copies of the Demands to Debtors' counsel by way of email, and further advised:
 - a. That the Demands would expire on April 19, 2022;
 - b. That MNP had been retained by the Bank as Financial Advisor;

- c. That the TAR was expiring at end of day, and that the Bank would continue to provide credit at the limit of \$3,000,000 on a day-to-day basis for a short period of time and in its absolute discretion, while the Financial Advisor reviewed the Debtors' business, and without waiving any default in relation to CNS' failure to repay the TAR;
- d. That the Bank reserved all rights in relation to the Demands and to cancel the provision of credit to the Debtors; and,
- e. That it would consider any proposed terms of forbearance, as long as such terms included a cash injection into the Debtors' business, and the provision of new collateral security by the Debtors.

Attached hereto to this my affidavit and marked as **Exhibit "S"** is a true copy of the email dated April 11, 2022.

- 33. CNS failed to repay the TAR by April 11, 2022.
- 34. On April 19, 2022, counsel for the Bank again emailed Debtors' counsel to advise that the Demands were expiring at end of day, and also that the Bank was continuing to review its position with regard to the continued provision of credit, banking services, and forbearance, and that the Bank would continue to provide same on a day-to-day basis, in its sole discretion, and while reserving all rights. Attached hereto to this my affidavit and marked as **Exhibit "T"** is a true copy of the email dated April 19, 2022.
- 35. On April 22, 2022, Claeys sent an email to the Bank and MNP with the subject "Urgent", advising:

- a. That CNS had been put on warning by two customers regarding imminent chargebacks;
- b. That CNS required \$130,000 in funding that same day to buy materials and pay source deductions;
- c. If the Bank failed to provide the requested funding, \$250,000 of Accounts Receivable would “vanish” and \$100,000 of WIP (work in progress) would be “wiped out”;
- d. CNS required an additional \$500,000 in funding for continued operations;
and,
- e. That CNS would receive a conditional offer of financing by approximately April 27, 2022.

Attached hereto to this my affidavit and marked as **Exhibit “U”** is a true copy of the email dated April 22, 2022.

36. On April 27, 2022, MNP, as Financial Advisor, issued its final report regarding the business and financial position of CNS (the “**Financial Advisor Report**”). The Financial Advisor Report identified the following conclusions in relation to the Defaults:
 - a. CNS was suffering from unstable cashflows which was, in turn, causing CNS difficulties in meeting client demands as a result of delays in obtaining raw materials from suppliers;
 - b. Pursuant to its contracts with clients, CNS’ clients have the right to “charge back” (set off) any damages as a result of delays in meeting client orders

against outstanding invoices. While this had not yet occurred at the time of the Financial Advisor Report, it was Claeys' opinion that such chargebacks were imminent;

- c. CNS was actively seeking refinancing in order to pay the CNS Indebtedness, without success as a result of its current poor financial condition;
 - d. CNS had written off a large amount of inventory, causing significant financial losses, and negatively impacting its financial position;
 - e. Incorrect or improper reporting to the Bank regarding CNS' financial status;
 - f. Significant personal expenses charged to CNS by Claeys;
 - g. Unreliable cashflow forecasts from CNS which do not provide sufficient evidence that the company will reverse its negative cashflow issues in the near future.
37. On April 29, 2022, counsel for the Bank sent a third email to Debtors' counsel, advising:
- a. That the Bank would seek the appointment of a Receiver over the Debtors' property;
 - b. That all provision of credit to the Debtors was terminated;
 - c. That the Bank would continue to allow CNS access to cash on account, with Bank oversight and permission, for the purpose of continuing operations until the appointment of the Receiver, and while reserving all of the Bank's rights in relation to such continued access.

Attached hereto to this my affidavit and marked as **Exhibit “V”** is a true copy of the email dated April 29, 2022.

38. On May 2, 2022, the Bank did receive an email from Claeys, advising, *inter alia*, that he would be proceeding to make certain payments to himself and to third parties. Claeys further advised that evidence of refinancing would be forthcoming by May 3, 2022. Attached hereto to this my affidavit and marked as **Exhibit “W”** is a true copy of the email dated May 2, 2022.

39. No evidence of refinancing has been presented to the Bank by the Debtors.

The Appointment of a Receiver

40. The Indebtedness due pursuant to the Demands has not been paid. The period under section 244 of the *BIA* has expired. The Bank is in a position to appoint a receiver over the property of the Debtors as secured pursuant to the Security, pursuant to section 243 of the *BIA*.

The GSAs

41. Paragraph 13(a) of the GSAs grants the Bank the right to appoint a Receiver over all personal property of the Debtors secured thereunder as a result of the Defaults, as follows:

REMEDIES

(a). Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a “Receiver”, upon which terms when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her

servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all of any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loan or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

The CNS Inventory Security Agreement

42. Paragraph 11(a) of the CNS Inventory Security Agreement grants the Bank the right to appoint a Receiver over all personal property of CNS secured thereunder as a result of the Defaults, as follows:

REMEDIES

(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver": which term when used herein shall include a receiver and manager) of Collateral and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including

Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

43. The Debtors are in Default of the Financing, and the loans advanced thereunder are due and payable in full.
44. The provisions of the Bank's Security provide the Bank with the power to appoint a Receiver over all of the personal property of the Debtors as secured by the GSAs, and over all property of CNS secured by the CNS Inventory Security Agreement.

The Bank's Position

45. The Debtors are in Default of their respective Financing, which Defaults continue.
46. The Debtors are insolvent. The Demands have expired, and the Bank is in a position to seek the order appointing the Receiver, pursuant to the provisions of the GSA's and the CNS Inventory Security Agreement.
47. No further credit nor banking services are available to the Debtors, and the Debtors' accounts have been restricted so as to place them on "deposit only", with draws limited to cash on hand, for necessary operating expenditures as approved by the Bank.
48. Holdco has failed to make payments on the Holdco Financing when due, and CNS has failed to repay the TAR when due and owing.
49. CNS is suffering from material cashflow and working capital shortfalls, which will negatively impact its business, and the corresponding value of the Bank's

- Security over CNS' Accounts Receivable. The Bank has been advised by both Claeys and the Financial Advisor that such cashflow and working capital shortfalls will likely result in customers of CNS setting off "chargebacks" against the amounts owing to CNS, further degrading the value of the Bank's Security.
50. A Receiver is necessary to (i) complete an orderly sale of CNS' business and apply any proceeds of such sale to the Indebtedness, and (ii) deal with the management of the Debtor's business while any such sale process is undertaken, if necessary.
 51. The Debtors are, or will soon be, in Default of their combined Financial Covenants due to cashflow issues and working capital shortfalls on behalf of CNS, as advised by both Claeys and the Financial Advisor.
 52. The Debtors are seeking refinancing, but, given CNS' operational and financial issues, as well as the debt load currently carried by the Debtors, it is unlikely that the Debtors will be able to secure refinancing in a sum sufficient to repay the Indebtedness.
 53. It is the Bank's position that the appointment of the Receiver is just and equitable and is necessary for the protection of the estate of the Debtors, and the interests of the Bank, as secured creditor, and other stakeholders.
 54. The Bank proposes that MNP Ltd. ("**MNP**") be appointed as Receiver, without security, over all personal property of the Debtors, as secured by the GSA's and by the CNS Inventory Security Agreement.
 55. MNP has consented to act as Receiver should this Honourable Court so appoint it.

56. This affidavit is made in support of the within application for the appointment of MNP as Receiver, without security, over all of the assets, undertakings, and properties of the Debtors, and for no other improper purpose.

Sworn or Affirmed before me: in person OR by video conference
by Scott Thornhill of the City of London, in the Province of Ontario, before me at the City of London in the Province of Ontario, on May 4, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)



Signature of Commissioner (or as may be)



SCOTT THORNHILL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

-and-

CNS IRON FABRICATION LTD. and CLAEYS FAMILY HOLDINGS INC.

Respondents

ATTACHED HERETO ARE EXHIBITS "A" TO "W"
AS REFERRED TO IN THE AFFIDAVIT OF SCOTT THORNHILL,
SWORN BEFORE ME ON MAY⁴, 2022.



A Commissioner, etc.

EXHIBIT "A"



Profile Report

CNS IRON FABRICATION LTD. as of March 08, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	CNS IRON FABRICATION LTD.
Ontario Corporation Number (OCN)	2067463
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	March 16, 2005
Registered or Head Office Address	38 Simpson Rd, Bolton, Ontario, Canada, L7E 1Y4

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

Barbara Duckitt

Director/Registrar

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

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name Robert CLAEYS
Address for Service 5840 Newman Blvd., Lasalle, Ontario, Canada, N9J 0E3
Resident Canadian Yes
Date Began April 01, 2021

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

Barbara Duckitt

Director/Registrar

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Active Officer(s)

Name	Robert CLAEYS
Position	President
Address for Service	5840 Newman Blvd., Lasalle, Ontario, Canada, N9J 0E3
Date Began	April 01, 2021

Name	Robert CLAEYS
Position	Secretary
Address for Service	5840 Newman Blvd., Lasalle, Ontario, Canada, N9J 0E3
Date Began	April 01, 2021

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

Barbara Duckitt

Director/Registrar

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Corporate Name History

Name

CNS IRON FABRICATION LTD.

Effective Date

March 16, 2005

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

Barbara Duckitt

Director/Registrar

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Active Business Names

Name	CNS FABRICATION
Business Identification Number (BIN)	241116516
Registration Date	November 20, 2014
Expiry Date	November 18, 2024

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

Barbara Duckitt

Director/Registrar

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Expired or Cancelled Business Names

Name	CNS STONE AND GLASS HANDLING EQUIPMENT
Business Identification Number (BIN)	220158463
Status	Inactive - Cancelled
Registration Date	February 10, 2012
Cancelled Date	March 18, 2013

Name	CNS CUSTOM FORMWORK EQUIPMENT
Business Identification Number (BIN)	220157580
Status	Inactive - Expired
Registration Date	February 10, 2012
Expired Date	February 09, 2017

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

Barbara Duckitt

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: BRIAN CHILLMAN - OTHER	April 08, 2021
Annual Return - 2019 PAF: SALVATORE JR. CASTELLI - DIRECTOR	July 26, 2020
Annual Return - 2018 PAF: SALVATORE JR. CASTELLI - DIRECTOR	June 23, 2019
CIA - Notice of Change PAF: SALVATORE, JR. CASTELLI - DIRECTOR	August 14, 2018
Annual Return - 2017 PAF: SALVATORE JR. CASTELLI - DIRECTOR	May 27, 2018
Annual Return - 2016 PAF: SALVATORE JR. CASTELLI - DIRECTOR	August 23, 2017
Annual Return - 2015 PAF: SALVATORE JR. CASTELLI - DIRECTOR	July 17, 2016
CIA - Notice of Change PAF: SALVATORE JR. CASTELLI - DIRECTOR	August 28, 2015
Annual Return - 2014 PAF: SALVATORE CASTELLI - DIRECTOR	July 18, 2015
CIA - Initial Return PAF: SALVATORE JR. CASTELLI - OFFICER	December 10, 2014
CIA - Notice of Change PAF: SALVATORE, JR. CASTELLI - OFFICER	December 09, 2014
CIA - Notice of Change PAF: THOMAS EARL CLARK - OTHER	September 04, 2014
Annual Return - 2013 PAF: SALVATORE CASTELLI - DIRECTOR	June 14, 2014

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

Barbara Duckitt

Director/Registrar

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Annual Return - 2012 PAF: SALVATORE CASTELLI - DIRECTOR	June 22, 2013
CIA - Notice of Change PAF: SALVATORE SR CASTELLI - DIRECTOR	March 27, 2013
CIA - Notice of Change PAF: SALVATORE SR CASTELLI - OFFICER	October 30, 2012
BCA - Articles of Amendment	September 04, 2012
Annual Return - 2011 PAF: SALVATORE CASTELLI - DIRECTOR	June 30, 2012
Annual Return - 2010 PAF: SALVATORE CASTELLI - DIRECTOR	March 19, 2011
CIA - Notice of Change PAF: SALVATORE CASTELLI - DIRECTOR	January 18, 2011
Annual Return - 2009 PAF: SALVATORE CASTELLI - DIRECTOR	March 27, 2010
Annual Return - 2008 PAF: SALVATORE CASTELLI - DIRECTOR	June 20, 2009
Annual Return - 2007 PAF: SALVATORE CASTELLI - DIRECTOR	June 07, 2008
Annual Return - 2005 PAF: SALVATORE CASTELLI - DIRECTOR	July 07, 2007
Annual Return - 2006 PAF: SALVATORE CASTELLI - DIRECTOR	July 07, 2007
CIA - Notice of Change PAF: SALVATORE CASTELLI - DIRECTOR	April 15, 2005
BCA - Articles of Incorporation	March 16, 2005

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

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

Barbara Duckitt

Director/Registrar

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EXHIBIT "B"



Profile Report

CLAEYS FAMILY HOLDINGS INC. as of March 08, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	CLAEYS FAMILY HOLDINGS INC.
Ontario Corporation Number (OCN)	2815680
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	February 11, 2021
Registered or Head Office Address	5840 Newman Blvd., Lasalle, Ontario, Canada, N9J 0E3

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

Barbara Duckitt

Director/Registrar

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

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 9

Name Robert CLAEYS
Address for Service 5840 Newman Blvd., Lasalle, Ontario, Canada, N9J 0E3
Resident Canadian Yes
Date Began February 11, 2021

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

Barbara Duckitt

Director/Registrar

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Active Officer(s)

There are no active Officers currently on file for this corporation.

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

Barbara Duckitt

Director/Registrar

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Corporate Name History

Name

CLAEYS FAMILY HOLDINGS INC.

Effective Date

August 19, 2021

Previous Name

MCGEORGE CLAEYS INVESTMENTS INC.

Effective Date

February 11, 2021

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

Barbara Duckitt

Director/Registrar

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Active Business Names

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

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

Barbara Duckitt

Director/Registrar

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

Expired or Cancelled Business Names

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

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

Barbara Duckitt

Director/Registrar

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Document List

Filing Name

BCA - Articles of Amendment

BCA - Articles of Incorporation

Effective Date

August 19, 2021

February 11, 2021

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

Barbara Duckitt

Director/Registrar

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

EXHIBIT "C"



Royal Bank of Canada
 Commercial Financial Services
 245 Ouellette Avenue – 2nd Floor
 Windsor, Ontario N9A 7J2

October 7, 2021

Private and Confidential

CNS IRON FABRICATION LTD.

38 Simpson Road
 Bolton, Ontario
 L7E 1Y4

ROYAL BANK OF CANADA (the “Bank”) hereby confirms the credit facilities described below (the “Credit Facilities”) subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the “Agreement”). This Agreement amends and restates without novation the existing agreement dated February 23, 2021 and any amendments thereto. Any amount owing by the Borrower to the Bank under such previous agreement is deemed to be a Borrowing under this Agreement. Any and all security that has been delivered to the Bank and is set forth as Security below, shall remain in full force and effect, is expressly reserved by the Bank and, unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities.. Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

BORROWER: CNS Iron Fabrication Ltd. (the “Borrower”).

CREDIT FACILITIES

The aggregate of Facility #1 and Facility #2 as set forth below, shall not exceed \$2,500,000.00 at any time.

Facility #1: \$2,000,000.00 revolving demand facility by way of:

a) RBP based loans (“RBP Loans”)

Revolve in increments of:	\$5,000.00	Minimum retained balance:	\$1,000.00
Revolved by:	Bank	Interest rate (per annum):	RBP + 1.50%

b) RBUSBR based loans in US currency (“RBUSBR Loans”)

Revolve in increments of:	\$5,000.00	Minimum retained balance:	\$1,000.00
Revolved by:	Bank	Interest rate (per annum):	RBUSBR + 1.50%

c) Letters of Guarantee (“LGs”)

® Registered Trademark of Royal Bank of Canada

Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts. Minimum fee of \$100.00.

AVAILABILITY

The Borrower may borrow, convert, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

Borrowings outstanding under this facility must not exceed at any time the aggregate of the following, less Potential Prior-Ranking Claims (the "**Borrowing Limit**"):

- a) 75% of Good Canadian/US Accounts Receivable;
- b) 90% of Good Private Insured Accounts Receivable;
- c) to a maximum of \$300,000.00, 50% of the lesser of cost or net realizable value of Unencumbered Inventory.

The aggregate Borrowings outstanding under this facility plus the aggregate Borrowings outstanding under Facility #2 must not exceed \$2,500,000.00 at any time.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, and regardless of the maturities of any outstanding instruments or contracts, Borrowings under this facility are repayable on demand.

FACILITY #1 GENERAL ACCOUNT

The Borrower shall establish current accounts with the Bank in each of Canadian currency and US currency (each a "**Facility #1 General Account**") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of each Facility #1 General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans, or RBUSBR Loans as applicable, under this facility.

Facility #2: \$2,500,000.00 revolving demand facility by way of:

- a) RBP Loans

Revolve in increments of:	\$5,000.00	Minimum retained balance:	\$0.00
Revolved by:	Bank	Interest rate (per annum):	RBP + 3.10%

AVAILABILITY

The Borrower may borrow, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

Proceeds of the initial Borrowing under this facility must be utilized to repay in full all Borrowings under Facility #1 and Facility #1 is immediately then cancelled.

This Facility is being issued under the Export Development Canada ("EDC") Trade Expansion Lending Program, and is subject to the terms and conditions set forth herein and in Schedule "I" attached hereto.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Borrowings under this facility are repayable on demand.

FACILITY #2 GENERAL ACCOUNT

The Borrower shall establish a current account with the Bank (the "**Facility #2 General Account**") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of the Facility #2 General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans under this facility;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans under this facility.

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "**Other Facilities**"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) Credit Card to a maximum amount of \$100,000.00 available in Canadian currency and US currency.

FEES**One Time Fee:**

Payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Monthly Fee:

Payable in arrears on the same day of each month.

EGP/Automated Loan Fee: \$1,500.00

Management Fee: \$200.00

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank, including, without limitation, any amounts outstanding under any Leases, if applicable, (collectively, the "**Security**"), shall include:

- a) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$300,000.00 signed by Robert Claeys;
- b) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$625,000.00 signed by Robert Claeys;
- c) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- d) Security agreement (accounts receivable) on the Bank's form 925 signed by the Borrower constituting a first ranking security interest in all accounts receivable of the Borrower, held in support of Facility #2;
- e) Security agreement (inventory) on the Bank's form 926 signed by the Borrower constituting a first ranking security interest in all inventory of the Borrower, held in support of Facility #2;
- f) Guarantee and postponement of claim on the Bank's form 812 for an unlimited amount signed by Claeys Family Holdings Inc., supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of Claeys Family Holdings Inc.;

- g) Landlord consent and waiver form in respect of the property located at 38 Simpson Road, Bolton, Ontario.

Upon receipt of the security described in paragraph b) above, in form and substance satisfactory to the Bank, together with such legal opinions and any other supporting documentation as the Bank may reasonably require, to the full satisfaction of the Bank, such security will replace the security described in paragraph a) above.

FINANCIAL COVENANTS

In the event that the Borrower or Claeys Family Holdings Inc. changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain on a combined basis for the Borrower and Claeys Family Holdings Inc., to be measured as at the end of each fiscal year:
- i. ensure, to be measured as at the end of each fiscal year, a ratio Funded Debt to EBITDA of not greater than 4.25:1, reducing to 3.75:1 as of fiscal year ending March 31, 2023 and further reducing to 3.25:1 as of fiscal year ending March 31, 2024 and thereafter maintain to be measured as at the end of each fiscal year, a ratio of Funded Debt to EBITDA of not greater than 3.25:1.
 - ii. Fixed Charge Coverage of not less than 1.25:1.

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) quarterly Borrowing Limit Certificate, substantially in the form of Schedule "F" signed on behalf of the Borrower by any one of the Chief Executive Officer, the President, the Vice-President Finance, the Treasurer, the Comptroller, the Chief Accountant or any other employee of the Borrower holding equivalent office, within 45 days of each fiscal quarter end;
- b) quarterly company prepared combined financial statements for the Borrower and Claeys Family Holdings Inc., within 45 days of each fiscal quarter end;
- c) annual aged list of accounts receivable and listing of inventory for the Borrower, within 90 days of each fiscal year end;
- d) annual Compliance Certificate, substantially in the form of Schedule "G" signed by an authorized signing officer of the Borrower, within 90 days of each fiscal year end, certifying compliance with this Agreement including the financial covenants set forth in the Agreement;
- e) annual review engagement financial statements for the Borrower, within 90 days of each fiscal year end;
- f) annual notice to reader financial statements for Claeys Family Holdings Inc., within 90 days of each fiscal year end;
- g) annual notice to reader combined financial statements for the Borrower and Claeys Family Holdings Inc., within 90 days of each fiscal year end;

- h) annual personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every fiscal year of the Borrower, commencing with the fiscal year ending in 2022; and
- i) such other financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally:

- e) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

GOVERNING LAW JURISDICTION

Province of Ontario.

ACCEPTANCE

This Agreement is open for acceptance until November 7, 2021 after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President

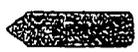
RBC Contact: Patrick Soulliere

/as

We acknowledge and accept the terms and conditions of this Agreement on this 8th day of October, 2021.

CNS IRON FABRICATION LTD.

Per: _____
Name: Robert Claeys
Title: President



Per: _____
Name:
Title:

I/We have the authority to bind the Borrower

Attachments:

Terms and Conditions

Schedules:

- Definitions
- Calculation and Payment of Interest and Fees
- Additional Borrowing Conditions
- Borrowing Limit Certificate
- Compliance Certificate
- RBC Covarity Dashboard Terms and Conditions
- EDC Trade Expansion Lending Program

TERMS AND CONDITIONS

The Bank is requested by the Borrower to make the Credit Facilities available to the Borrower in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrower agrees, and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand including, without limitation, an amount equal to the face amount of all LGs which are unmaturing or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations. For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

In the case of any reducing term loan and/or reducing term facility ("**Reducing Term Loan/Facility**"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("**Renewal Letter**") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the Maturity Date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings are by way of RBP Loans or RBUSBR Loans, the Borrower may prepay such Borrowings in whole or in part without fee or premium.

The prepayment of any Borrowings under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "**Accounts**") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the

repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In

addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable, or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower, or a Guarantor if applicable, in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor if applicable for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any

communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "**Paper Record**") into electronic images (each, an "**Electronic Image**") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) if applicable, it is duly constituted, validly existing and duly registered or qualified to carry on business or its operations in all jurisdictions where the nature of its properties, assets, business or operations make such registration or qualification necessary or desirable;
- b) the execution, delivery and performance by it of this Agreement do not violate any Applicable Laws or agreements to which it is subject or by which it is bound, and where applicable, have been duly authorized by all necessary actions and do not violate its constating documents;
- c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or any Security or any other agreement delivered to the Bank or an Event of Default;
- d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental and Health and Safety Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing and/or the entering into each Lease, if applicable, hereunder.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases, if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

JUDGEMENT CURRENCY

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "**Judgement Currency**") any amount due hereunder in any currency other than the Judgement Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day

on which judgement is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgement is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgement Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency together with interest at RBP and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the Borrower under this section will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this Agreement.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower, or any Guarantor if applicable, under this Agreement or in any other document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.

INCREASED COSTS

If any change in Applicable Laws or the interpretation thereof after the date hereof (i) imposes or increases taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) imposes or increases any reserve or other similar requirement or (iii) imposes or changes any other condition affecting the Credit Facilities, and the result of any of the foregoing results in any additional cost to the Bank of making available, continuing or maintaining any of the Credit Facilities hereunder (or maintaining any obligations to make any such Credit Facilities available hereunder) or results in any reduction in the amount of any sum received or receivable by the Bank in connection with this Agreement or the Credit Facilities

made available hereunder, then from time to time, upon written request of the Bank, the Borrower shall promptly pay to the Bank, such additional amount or amounts as will compensate the Bank for any such additional costs incurred or reduction suffered.

CONFIDENTIALITY

This Agreement and all of its terms are confidential ("**Confidential Information**"). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person other than the Borrower's directors, officers, employees, agents, advisors, contractors, consultants and other representatives of the Borrower who need to know the Confidential Information for the purpose of this Agreement, who shall be informed of the confidential nature of the Confidential Information and who agree or are otherwise bound to treat the Confidential Information consistent with the terms of this Agreement. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank's prior written consent.

Schedule "A"

DEFINITIONS

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are **"Borrowings"**;

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed throughout Canada;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

"Canadian/US Accounts Receivable" means trade accounts receivable of the Borrower owing by Persons whose chief operating activities are located in the US or Canada;

"Capital Expenditures" means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

"Cash Taxes" means, for any fiscal period, any amounts paid in respect of income taxes;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Corporate Distributions" means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

"EBITDA" means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

“Equivalent Amount” means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

“Fixed Charge Coverage” means, for any fiscal period, the ratio of EBITDA plus payments under operating leases less cash income taxes, Corporate Distributions and Unfunded Capital Expenditures to Fixed Charges;

“Fixed Charges” means, for any fiscal period, the total of Interest Expense, scheduled principal payments in respect of Funded Debt and payments under operating leases;

“Funded Debt” means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

“Good Canadian/US Accounts Receivable” means Canadian/US Accounts Receivable excluding (i) the entire amount of accounts, any portion of which is outstanding more than 90 days after billing date, provided that the under 90 day portion may be included where the over 90 day portion is less than 10% of the amount of accounts, or where the Bank has designated such portion as nevertheless good, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Bank’s security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Limit calculation, or (vii) any accounts which the Bank has previously advised to be ineligible;

“Good Private Insured Accounts Receivable” means Private Insured Accounts Receivable, excluding (i) any portion of such accounts which is outstanding more than 90 days after billing date, (ii) all amounts due from any affiliate, (iii) bad or doubtful accounts, (iv) accounts subject to any security interest or other encumbrance ranking or capable of ranking in priority to the Bank’s security, (v) the amount of all holdbacks, contra accounts or rights of set-off on the part of any account debtor, (vi) those trade accounts receivable included elsewhere in the Borrowing Limit calculation, or (vii) any accounts which the Bank has previously advised to be ineligible;

“Guarantor” means any Person who has guaranteed the obligations of the Borrower under this Agreement;

“Interest Expense” means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers’ acceptances;

“Lease” means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

“Letter of Guarantee” or **“LG”** means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party;

“Maturity Date” means the date on which a facility is due and payable in full;

“Permitted Encumbrances” means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from

the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and

b) Security granted in favour of the Bank;

"Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity;

"Policy" means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

"Postponed Debt" means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

"Potential Prior-Ranking Claims" means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

"Private Insured Accounts Receivable" means trade accounts receivable of the Borrower, where the payment has been insured by an insurer acceptable to the Bank, on terms and conditions satisfactory to the Bank, and the Bank has been named as loss payee by way of a duly executed assignment of or a rider/endorsement to the applicable insurance policy from such other insurer, supported by a copy of the applicable insurance policy and any renewals thereof;

"RBP" and **"Royal Bank Prime"** each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

"RBUSBR" and **"Royal Bank US Base Rate"** each means the annual rate of interest announced by the Bank from time to time as a reference rate then in effect for determining interest rates on commercial loans made in US currency in Canada;

"Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

"Unencumbered Inventory" means inventory of the Borrower which is not subject to any security interest or other encumbrance or any other right or claim which ranks or is capable of ranking in priority to the Bank's security including, without limitation, rights of unpaid suppliers to repossess inventory within 30 days after delivery and rights of unpaid farmers, fishermen and aquaculturalists in respect of any unpaid amounts for products sold and delivered within the previous 15 days, under the *Bankruptcy and Insolvency Act*, Canada;

"Unfunded Capital Expenditures" means Capital Expenditures not funded by either bank debt or equity proceeds;

"US" means United States of America.

Schedule "B"

CALCULATION AND PAYMENT OF INTEREST AND FEES

LIMIT ON INTEREST

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law. In no event shall the effective interest rate payable by the Borrower under any facility be less than zero.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%, or, in the case of an amount in US currency if applicable, RBUSBR plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

RBP LOANS AND RBUSBR LOANS

The Borrower shall pay interest on each RBP Loan and RBUSBR Loan, monthly in arrears, on the 26th day of each month or such other day as may be agreed to between the Borrower and the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Borrowing.

LETTER OF GUARANTEE FEES

The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable.

Schedule "D"

ADDITIONAL BORROWING CONDITIONS

LGs:

Borrowings made by way of LGs will be subject to the following terms and conditions:

- a) each LG shall expire on a Business Day and shall have a term of not more than 365 days;
- b) at least 2 Business Days prior to the issue of an LG, the Borrower shall execute a duly authorized application with respect to such LG and each LG shall be governed by the terms and conditions of the relevant application for such contract;
- c) an LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LG has been obtained;
- d) any LG issued under a term facility must have an expiry date on or before the Maturity Date of the term facility, unless otherwise agreed by the Bank; and
- a) if there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LG, the terms of the application for LG shall govern.

Schedule "F"

BORROWING LIMIT CERTIFICATE

I, _____, representing the Borrower hereby certify as of fiscal quarter ending _____:

1. I am familiar with and have examined the provisions of the Agreement dated October 7, 2021 and any amendments thereto, between CNS Iron Fabrication Ltd., as Borrower, and Royal Bank of Canada, as the Bank and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower. Terms defined in the Agreement have the same meanings where used in this certificate.

2. The Borrowing Limit is \$ _____, calculated as follows:

Total Canadian/US Accounts Receivable		\$ _____
Less:	a) Accounts, any portion of which exceeds 90 days	\$ _____
	b) Accounts due from affiliates	\$ _____
	c) "Under 90 days" accounts where collection is suspect	\$ _____
	d) Accounts subject to prior encumbrances	\$ _____
	e) Holdbacks, contra-accounts or rights of set-off	\$ _____
	f) Accounts included elsewhere in the Borrowing Limit calculation	\$ _____
Plus:	g) Other ineligible accounts	\$ _____
	h) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amount of accounts, or which the Bank has designated as nevertheless good	\$ _____
Good Canadian/US Accounts Receivable		A \$ _____
Marginable Good Canadian/US Accounts Receivable at 75% of A		B \$ _____
Total Private Insured Accounts Receivable		\$ _____
Less:	a) Accounts, any portion of which exceeds 90 days	\$ _____
	b) Accounts due from affiliates	\$ _____
	c) "Under 90 days" accounts where collection is suspect	\$ _____
	d) Accounts subject to prior encumbrances	\$ _____
	e) Holdbacks, contra-accounts or rights of set-off	\$ _____
	f) Other ineligible accounts	\$ _____
Plus:	g) Under 90 day portion of accounts included in a) above, where the over 90 day portion is less than 10% of the amount of accounts, which the Bank has designated as nevertheless good	\$ _____
Good Private Insured Accounts Receivable		C \$ _____
Marginable Good Private Insured Accounts Receivable at 90% of C		D \$ _____
Total inventory (valued at lesser of cost or net realizable value)		\$ _____
Less:	a) Inventory subject to prior encumbrances	\$ _____
	b) Inventory subject to 30 day supplier payables	\$ _____
	c) Other non qualifying inventory	\$ _____
Unencumbered Inventory		E \$ _____

Marginable Unencumbered Inventory at 50% of E (Max \$300,000.00)		F	\$ _____
Less: Potential Prior-Ranking Claims while not limited to these include:			
Sales tax, Excise & GST	\$ _____		
Employee source deductions such as E.I., CPP, Income Tax	\$ _____		
Workers Compensation Board	\$ _____		
Wages, Commissions, Vacation Pay	\$ _____		
Unpaid Pension Plan Contributions	\$ _____		
Overdue Rent, Property & Business Tax and potential claims from third parties such as subcontractors	\$ _____		
Other	\$ _____		
Total Potential Prior-Ranking Claims		G	\$ _____
Borrowing Limit (B+D+F-G)			\$ _____
Less: Facility #1 Borrowings			\$ _____
Margin Surplus (Deficit)			\$ _____

3. The reports (if required as per the Reporting Requirements section of the Agreement) and information provided herewith are accurate and complete in all respects and all amounts certified as Potential Prior-Ranking Claims are current amounts owing and not in arrears.

Dated this _____ day of _____, 20_____.

Per: _____
 Name: _____
 Title: _____

Schedule "G"

COMPLIANCE CERTIFICATE

I, _____, representing the Borrower hereby certify as of fiscal year ending _____:

1. I am familiar with and have examined the provisions of the Agreement dated October 7, 2021 and any amendments thereto, between CNS Iron Fabrication Ltd., as Borrower, and Royal Bank of Canada as the Bank, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and any Guarantor if applicable. Terms defined in the Agreement have the same meanings where used in this certificate.
2. The representations and warranties contained in the Agreement are true and correct.
3. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute a breach of any covenant or other term or condition of this Agreement or an Event of Default and there is no reason to believe that during the next fiscal year of the Borrower, any such event or circumstance will occur.
4. Fixed Charge Coverage is _____:1, being not less than the minimum required ratio of 1.25:1.
5. The ratio of Funded Debt to EBITDA is _____:1, being not greater than the maximum permitted ratio of 4.25:1, reducing to 3.75:1 as at fiscal year ending March 31, 2023 and further reducing to 3.25:1 as at fiscal year ending March 31, 2024 and thereafter.
6. The detailed calculations of the foregoing ratios and covenants is set forth in the addendum annexed hereto and are true and correct in all respects.

Dated this _____ day of _____, 20____.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

Schedule "H"

RBC COVARIETY DASHBOARD TERMS AND CONDITIONS

If the Borrower elects to fulfill the reporting requirements relating to the submission of financial information set out in this Agreement by accessing a secure web based portal ("**RBC Covarity Dashboard**") via the Internet and using RBC Covarity Dashboard to electronically upload the Borrower's financial information and to complete online and electronically submit certificates, reports and/or forms (the "**Service**"), then the following terms and conditions (the "**RBC Covarity Dashboard Terms and Conditions**") apply and are deemed to be included in, and form part of, the Agreement.

1. Definitions. For the purpose of the RBC Covarity Dashboard Terms and Conditions:

"**Disabling Code**" means any clock, timer, counter, computer virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software.

"**Designated User**" an individual permitted to act on behalf of and bind the Borrower in all respects, and specifically in the submission of Electronically Uploaded Financial Information and/or Electronically Submitted Certificates.

"**Electronic Channel**" means any telecommunication or electronic transmission method which may be used in connection with the Service, including computer, Internet, telephone, e-mail or facsimile.

"**Electronic Communication**" means any information, disclosure, request or other communication or agreement sent, received or accepted using an Electronic Channel.

"**Electronically Submitted Certificates**" means certificates, reports and/or forms completed online and electronically submitted by any Designated User accessing the Service.

"**Electronically Uploaded Financial Information**" means financial data, reports and/or information of the Borrower electronically uploaded by any Designated User accessing the Service.

"**Internet**" means a decentralized global communications medium and the world-wide network of computer networks, accessible to the public, that are connected to each other using specific protocols, which provides for file transfer, electronic mail, remote log in, news, database access, and other services.

"**Password**" means a combination of numbers and/or letters selected by a Designated User that is used to identify the Designated User. The Password is used in conjunction with a User ID to access the Service.

"**Security Breach**" means any breach in the security of the Service, or any actual or threatened use of the Service, a Security Device, or Electronic Channel in a manner contrary to the Agreement, including, without limitation, the introduction of Disabling Code or a Virus to the Service.

"**Security Device**" means a combination of a User ID and Password.

"**Software**" means any computer program or programming (in any code format, including source code), as modified from time to time, and related documentation.

"**User ID**" means the combination of numbers and/or letters selected by the Borrower used to identify a particular Designated User. The User ID is used in conjunction with a Password to access the Service.

"Virus" means an element which is designed to corrupt data or enable access to or adversely impact upon the performance of computer systems, including any virus, worm, logic bomb and Trojan horse.

Terms defined in the Agreement have the same meanings where used in the RBC Covarity Dashboard Terms and Conditions.

2. Access to the Service. The Borrower will appoint one or more Designated User(s) to access the Service on behalf of the Borrower. The Borrower acknowledges and agrees that each Designated User appointed by the Borrower may electronically upload the Borrower's financial information and may view all previously uploaded financial information and all calculations in the RBC Covarity Dashboard.

At the time of registration for the Service, the Borrower will advise the Bank of the name and e-mail address of each Designated User. The Borrower will immediately advise the Bank if a Designated User changes or is no longer valid.

The Bank will provide the Borrower with a User ID and temporary password for each Designated User. Each Designated User will receive the User ID and temporary password delivered to their e-mail address. Each Designated User will change the temporary password to a unique Password which may not be easily guessed or obtained by others. If it is suspected or known that the Password has been compromised in any way, the Password must be changed immediately.

On first access to the Service, each Designated User will be required to read and agree to terms of use which will thereafter be accessible from a link located on each web page of the Service.

3. Security Devices. The Borrower recognizes that possession of a Security Device by any person may result in that person having access to the Service. The Borrower agrees that the use of a Security Device in connection with the Service, including any information sent, received or accepted using the Service, will be deemed to be conclusive proof that such information is accurate and complete, and the submission of which is authorized by, and enforceable against, the Borrower.

The Borrower is responsible for maintaining the security and confidentiality of Security Devices which may be used in connection with the Service. The Borrower is responsible for ensuring that a Security Device will only be provided to and used by a Designated User. The Borrower agrees to be bound by any actions or omissions resulting from the use of any Security Device in connection with the Service.

4. Security. Each party shall at all times have in place appropriate policies and procedures to protect the security and confidentiality of the Service, Electronic Channels and Electronic Communication and to prevent any unauthorized access to and use of the Service and Electronic Channels. The Borrower agrees to comply with any additional procedures, standards or other security requirements that the Bank may require in order to access the Service.

The Borrower will not (i) access or use the Service for an illegal, fraudulent, malicious or defamatory purpose, or (ii) take steps or actions that could or do undermine the security, integrity, effectiveness, goodwill or connectivity of the Service (including illegal, fraudulent, malicious, defamatory or other activities that threaten to harm or cause harm to any other person).

The Borrower agrees not to transmit via the Service any viruses, worms, defects, Trojan horses or any items of a destructive nature. The Borrower shall maintain the security of their computer by using anti-virus scanning, a firewall and installing the latest security patches to provide assurance that no Virus is introduced into the systems or Software while accessing the Service.

5. Unsecure Electronic Channels. The Borrower acknowledges and agrees that if it uses, or if it authorizes and directs the Bank to use, any unencrypted Electronic Channel, including unencrypted e-mail or facsimile, any Electronic Communication sent, received and/or accepted

using such Electronic Channel is not secure, reliable, private or confidential. Any such Electronic Communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Borrower assumes full responsibility for the risks associated with such Electronic Communication.

6. Notice of Security Breach. The Borrower shall notify the Bank by notifying the RBC Account Manager in writing immediately of any Security Breach including: (i) any application vulnerability or if a Virus is contained in or affects transmission of information to the Service; or (ii) if the Borrower knows or reasonably ought to know that an unauthorized person may have access to the Service, Security Device or Electronic Channel.

If a Security Breach occurs the Borrower shall: (i) assist the Bank in the management of any consequences arising from it; (ii) take any reasonable steps necessary for it to take to mitigate any harm resulting from it; and (iii) take appropriate steps to prevent its recurrence.

7. Binding Effect. Any Electronic Communication that the Bank receives from or in the name of, or purporting to be from or in the name of, the Borrower or any other person on the Borrower's behalf in connection with the Service, will be considered to be duly authorized by, and enforceable against, the Borrower. The Bank will be authorized to rely and act on any such Electronic Communication, even if the Electronic Communication was not actually from the Borrower or such other person or differs in any way from any previous Electronic Communication sent to the Bank. Any Electronically Uploaded Financial Information will be considered to be financial information submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Uploaded Financial Information accordingly. Any Electronically Submitted Certificates will be considered to be certificates, reports and/or forms completed and submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Submitted Certificates accordingly.

8. Representations and Warranties. The Borrower represents and warrants to the Bank that each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted: (i) all financial statements, certificates, forms, reports and all information contained therein will be accurate and complete in all respects; (ii) all amounts certified as Potential Prior-Ranking Claims will be current amounts owing and not in arrears; (iii) all representations and warranties contained in the Agreement will be true and correct; and (iv) no event will have occurred which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or breach of any covenant or other term or condition of the Agreement. The Borrower will be deemed to repeat these representations and warranties each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted.

9. Evidence. Electronic records and other information obtained by the Bank in an Electronic Communication will be admissible in any legal, administrative or other proceedings as conclusive evidence of the contents of those communications in the same manner as an original paper document, and the Borrower waives any right to object to the introduction of any such record or other information into evidence on that basis.

10. Limitation of Liability. The Bank is not responsible or liable for any damages arising from: (i) inaccurate, incomplete, false, misleading, or fraudulent information provided to the Bank; (ii) losses incurred as a result of an actual or potential Security Breach; or (iii) losses incurred as a result of application vulnerability or Virus that is contained in or affects any Software or systems used by or on behalf of the Borrower in connection with the Service.

Although every effort is made to provide secure transmission of information, timely communication and confidentiality cannot be guaranteed. In no event shall the Bank be liable for any loss or harm resulting from the use of the Service, or from a breach of confidentiality in respect of use of the Service.

11. Termination. The ability of the Borrower to fulfill the reporting requirements relating to the submission of financial information set out in the Agreement using RBC Covarity Dashboard shall terminate upon revocation of access to the Service. In addition, the Bank may suspend or terminate access to or discontinue the Service immediately for any reason at any time without prior notice. The Bank will not be responsible for any loss or inconvenience that may result from such suspension or termination. The Borrower, upon giving notice to the Bank by notifying the RBC Account Manager in writing, may terminate use of the Service at any time.

12. Amendment. The Bank may amend these RBC Covarity Dashboard Terms and Conditions upon 30 days notice (which may be given electronically by way of e-mail or in writing) to the Borrower. The Borrower agrees that the continued use of the Service after the effective date of a change will constitute conclusive evidence of consent to all such amendments and the Borrower shall be bound by the amendments.

Schedule "I"

EDC TRADE EXPANSION LENDING PROGRAM

INTRODUCTION

The Credit Facility is being provided to the Borrower under Export Development Canada's ("EDC") Trade Expansion Lending Program ("TELP"). The program is intended to increase the availability of financing for Canada's export industry by having EDC provide a guarantee (the "EDC Guarantee") in favour of the Bank against loan losses, provided the requirements of the EDC TELP have been met.

The Borrower acknowledges that the EDC Guarantee is subject to the Borrower meeting EDC's TELP mandate requirements regarding support for Canadian exporters, as that mandate is expressed from time to time.

EDC CONDITIONS PRECEDENT

In addition to the conditions set forth in the Conditions Precedent section of this Agreement, the availability of any Borrowing under the applicable Credit Facility is conditional upon receipt of the following:

- a) EDC TELP Eligibility Email Confirmation;
- b) EDC Declaration and Acknowledgement; and
- c) a Waiver from each Guarantor, present and future, if applicable.

The Borrower is required to access and to complete the above-mentioned forms electronically using the links provided below on the EDC website:

TELP Online Application (EN)	English Online form
TELP Online Form (FR)	French Online Form
TELP Waiver (EN)	www.edc.ca/content/dam/edc/en/solution/trade-expansion-lending-program/TELP-waiver.pdf
TELP Waiver (FR)	www.edc.ca/content/dam/edc/fr/solution/programme-prets-expansion-internationale/PPEI-renonciation.pdf
TELP Declaration and Acknowledgement (EN)	www.edc.ca/content/dam/edc/en/solution/trade-expansion-lending-program/TELP-declaration.pdf
TELP Declaration and Acknowledgement (FR)	www.edc.ca/content/dam/edc/fr/solution/programme-prets-expansion-internationale/PPEI-declaration.pdf

EDC FEES

The Borrower authorizes and directs the Bank to collect any fee(s) EDC charges to pay EDC for the EDC Guarantee. This fee is reflected in the spread over RBP or RBUSBR, if applicable, charged on the applicable Credit Facility.

Such EDC fees may be subject to change from time to time. The Bank will give the Borrower reasonable notice of such changes and the Borrower shall promptly pay to the Bank such new or additional amount or amounts as required.

EDC REPORTING

As a condition to the continuing effectiveness of the EDC Guarantee, EDC may request additional information and/or reporting at any time in its sole discretion.

EDC DISCLOSURE

The Borrower acknowledges that EDC publishes information on a website available to the general public about the credit facilities it guarantees under the EDC TELP. Such information may include the Borrower's name, the name of the Institution, the EDC financial service provided, the date of the related agreement, a general description of the commercial transaction/project (including country) and the amount of EDC support in an approximate dollar range.

CONSENT AND ACKNOWLEDGEMENT

The Borrower agrees to the following:

- a) it irrevocably authorizes the Bank and EDC to:
 - i. freely and fully communicate with each other and freely and fully share information, records, files and documentation related to the Borrower, the applicable Credit Facility and the EDC Guarantee including, without limitation, with respect to the Borrower's business, property, assets, customers, contracts, purchase orders, creditors, financial state, projections and prospects and RBC's internal credit review of the Borrower (including, without limitation, risk ratings, key financial ratios, ratings, analysis of the Borrower's financial statements, assessment of technical capability, and relevant history of the Borrower), and
 - ii. retain copies of information or documents relating to any of the foregoing.
- b) it hereby remises, releases and forever discharges the Bank and EDC from all actions, causes of actions, suits, duties, accounts, bonds, covenants, claims and demands whatsoever, which any of the undersigned, may now or hereafter have against either or both of RBC and EDC for or by reason of or in any way arising out of the release or sharing of information provided for in this consent and acknowledgement.
- c) it acknowledges that EDC has made no commitment to provide the EDC Guarantee and such decision remains in EDC's sole discretion and that the EDC Guarantee must be in form and on terms and conditions satisfactory to the Bank.



Royal Bank of Canada
 Commercial Financial Services
 245 Ouellette Ave- 2nd Flr
 Windsor, ON N9A 7J2

January 19, 2022

Private and Confidential

CNS IRON FABRICATION LTD.

38 Simpson Rd
 Bolton, ON
 L7E 1Y4

We refer to the agreement dated October 7, 2021 and any amendments thereto, between CNS Iron Fabrication Ltd., as the Borrower, and Royal Bank of Canada, as the Bank, (the "**Agreement**").

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under any Bank document, and whether known or unknown, and this amending agreement shall not be construed as a waiver of any such breach, default or Events of Default.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Agreement is amended as follows:

1. The Credit Facilities section is amended as follows:

- a) Facility #1 is deleted in its entirety;
- b) Facility #2 is amended and restated as follows:

Facility #2: \$2,500,000.00 revolving demand facility by way of:

a) RBP based loans ("**RBP Loans**")

Revolve in increments of:	\$5,000.00	Minimum retained balance:	\$0.00
Revolved by:	Bank	Interest rate (per annum):	RBP + 3.10%

b) RBUSBR based loans in US currency ("**RBUSBR Loans**")

Revolve in increments of:	\$5,000.00	Minimum retained balance:	\$0.00
Revolved by:	Bank	Interest rate (per annum):	RBUSBR + 2.66%

AVAILABILITY

The Borrower may borrow, convert, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may

³ Registered Trademark of Royal Bank of Canada

cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

This Facility is being issued under the Export Development Canada ("EDC") Trade Expansion Lending Program, and is subject to the terms and conditions set forth herein and in Schedule "I" attached hereto.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Borrowings under this facility are repayable on demand.

GENERAL ACCOUNT

The Borrower shall establish current accounts with the Bank in each of Canadian currency and US currency (each a "**General Account**") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of each General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans, or RBUSBR Loans as applicable, under this facility.

2. Under the Fees section of the Agreement, the Management fee is deleted

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business

Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

CONDITIONS PRECEDENT

The effectiveness of this amending agreement is conditional upon receipt of:

- a) a duly executed copy of this amending agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally;

- e) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

COUNTERPART EXECUTION

This amending agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

All other terms and conditions outlined in the Agreement remain unchanged and in full force and effect.

This amending agreement is open for acceptance until February 18, 2022, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



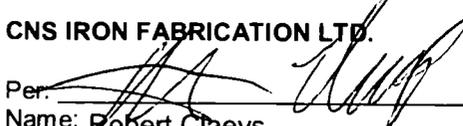
Per: _____
Title: Vice President

RBC Contact: Patrick Soulliere

/aak

Agreed to and accepted this 19th day of January, 2022.

CNS IRON FABRICATION LTD.

Per: 
Name: Robert Claeys
Title: President



Per: 
Name: Robert Claeys
Title: CEO

I/We have the authority to bind the Borrower

EXHIBIT "D"



Scott Thornhill
Sr. Manager, Special Loans and Advisory Services

Royal Bank of Canada
148 Fullarton Street, 11th Floor
London, Ontario, N6A 5P3
Tel: 519-636-2597
E-mail: scott.thornhill@rbc.com

March 14, 2022

PERSONAL & CONFIDENTIAL
VIA E-MAIL bob.claeys@cnsfabrication.com

CNS Iron Fabrication Ltd.
38 Simpson Road
Bolton, Ontario L7E 1Y4

Re: CNS Iron Fabrication Ltd. (the “Borrower”) – Credit Facilities with Royal Bank of Canada (the “Bank”)

This follows the loan agreement dated October 7, 2021 as amended by amending agreement dated January 19, 2022 (collectively, the “**Loan Agreements**”). All defined terms herein unless otherwise indicated, shall be as defined in the Loan Agreements.

We confirm that:

- (a) As a result of the Bank’s concerns with respect to the Borrower’s cash-flow and liquidity issues, working capital shortfalls resulting in the Borrower’s need for credit in excess of established limits, compressed profit margins in quarter 3 for fiscal year 2022, and the inability of ownership to inject additional equity, and the Bank’s relationship with the Borrower has been transitioned to the Special Loans and Advisory Services Group of the Bank, as confirmed in the Bank’s letter to the Borrower dated March 2, 2022.
- (b) On February 23, 2022, the credit limit of Facility # 2, in relation to the Loan Agreements, was temporarily increased from \$2,500,000 to \$2,700,000 until March 11, 2022.

Notwithstanding the above, the Bank is agreeable to continue to provide credit to the Borrower under the terms of the Loan Agreements, subject to the terms of this Letter Agreement, and while strictly reserving all of its rights and remedies under the Loan Agreements and all Security as provided to the Bank thereunder.

In consideration of the Bank agreeing to provide the Borrower with an opportunity to improve its liquidity and operational position, each of the undersigned confirms and agrees

with the following, and acknowledges that the Bank is relying upon such confirmations and agreements:

1. Acknowledgement : The Borrower hereby acknowledges and confirms:

- (a) That this letter is an amending letter to the Loan Agreements. The Loan Agreements and any security, including guarantees as detailed at Schedule "A" (the "**Security**") under the Loan Agreements are valid and continue as binding on the undersigned parties, subject to the amendments contained herein.
- (b) That the Borrower shall be responsible for all legal fees and disbursements (inclusive of HST) incurred by the Bank on a full indemnity basis in connection with:
 - (i) the preparation of this letter;
 - (ii) the review of the Loan Agreements and Security;
 - (iii) the preparation of any and all documents; and
 - (iv) advising the Bank with respect to any of the foregoing.

2. Amendments to the Loan Agreements: The parties agree that the Loan Agreements shall be amended as follows:

- 1. Under the Credit Facilities section, Facility # 2 is amended by temporarily increasing the credit limit from \$2,500,000 to \$3,000,000 until April 11, 2022.
- 2. Under the Fees section of the Loan Agreements, a One Time Fee of \$500.00 is added, payable upon acceptance of this letter.

3. Acceptance: The Borrower hereby acknowledges receipt of this letter and agrees with the Bank that on or before 12:00 p.m. on March 17, 2022, the Bank shall have received a copy of this Letter Agreement executed by the Borrower, failing which the terms hereunder will not be binding on the Bank¹.

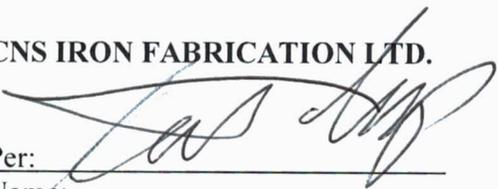
¹ This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement. This Agreement may be executed and delivered by facsimile or by .pdf file and upon such delivery the facsimile or .pdf signature will be deemed to have the same effect as if the original signature had been delivered to the other party.

Yours truly,

Per: 
 Name: Scott Thornhill
 Title: Senior Manager
 Special Loans and Advisory Services

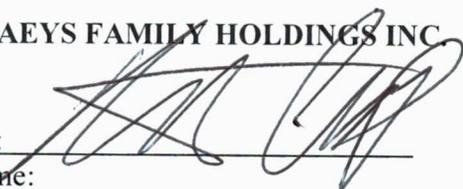
Each of the undersigned hereby acknowledges and confirms their agreement with each of the terms, confirmations, conditions, covenants and provisions referred to above and agrees to comply with and be bound thereby.

CNS IRON FABRICATION LTD.

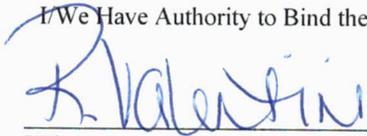
Per: 
 Name:
 Title:

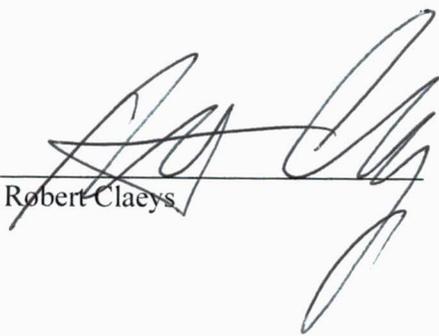
Per: _____
 Name:
 Title:
 I/We Have Authority to Bind the Corporation

CLAEYS FAMILY HOLDINGS INC

Per: 
 Name:
 Title:

Per: _____
 Name:
 Title:
 I/We Have Authority to Bind the Corporation


 Witness

Per: 
 Robert Claeys

DATED this 14 March 2022

SCHEDULE "A"
SECURITY

- a) General Security Agreement dated April 6, 2021
- b) Security Agreement (Accounts Receivable) dated October 8, 2021
- c) Security Agreement (Inventory) dated October 8, 2021
- d) Guarantee and Postponement of Claim from Robert dated February 27, 2021, in the amount of \$300,000, dated February 27, 2021*;
- e) Guarantee and Postponement of Claim from Robert dated October 8, 2021, limited to the amount of \$625,000*; and,
- f) Guarantee and Postponement of Claim from Claeys Family Holdings Inc. dated February 27, 2021, unlimited in sum

*total aggregate liability of both guarantees totals \$925,000

EXHIBIT "E"



Royal Bank of Canada General Security Agreement

SRF:
345305734

BRANCH ADDRESS:
245 OUELLETTE AVE
2ND FLR
WINDSOR, ON
N9A 7J2

BORROWER:
CNS IRON FABRICATION LTD.

1. SECURITY INTEREST

a) For value received, the undersigned ("Debtor"), hereby grants to **ROYAL BANK OF CANADA** ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- i) all Inventory of whatever kind and wherever situate;
- ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- iv) all lists, records and files relating to Debtor's customers, clients and patients;
- v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- vi) all contractual rights and insurance claims;
- vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness

of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;
- b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;
- c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;
- d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations; and
- e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

- a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;
- b) to notify RBC promptly of:
 - i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
 - ii) the details of any significant acquisition of Collateral,
 - iii) the details of any claims or litigation affecting Debtor or Collateral,
 - iv) any loss or damage to Collateral,
 - v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
 - vi) the return to or repossession by Debtor of Collateral;
- c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trademarks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

- f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;
- g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;
- h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;
- i) to deliver to RBC from time to time promptly upon request:
- i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
 - ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
 - iii) all financial statements prepared by or for Debtor regarding Debtor's business,
 - iv) all policies and certificates of insurance relating to Collateral, and
 - v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

- a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the Indebtedness or pay the same promptly to Debtor.
- b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- a) Whether or not default has occurred, Debtor authorizes RBC:
- i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;

- ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;
- b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;
- c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;
- d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
- e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;
- f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;
- h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every

such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

- b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.
- d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.
- e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A..
- h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

- a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.
- b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.
- c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.
- d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.
- e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect

to any indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

f) Debtor waives protest of any Instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute indebtedness.

p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:

- i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
- ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the

laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15. COPY OF AGREEMENT

- a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.
- b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces).

16. Debtor represents and warrants that the following information is accurate:

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR CNS IRON FABRICATION LTD.			
ADDRESS OF BUSINESS DEBTOR 38 SIMPSON RD	CITY BOLTON	PROVINCE ON	POSTAL CODE LE1 Y45

IN WITNESS WHEREOF executed this 6 day of APRIL, 2021.

CNS IRON FABRICATION LTD.

Seal

Seal

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

SCHEDULE "B"

1. Locations of Debtor's Business Operations

38 SIMPSON RD

BOLTON

ON

CA

LE1 Y45

2. Locations of Records relating to Collateral (if different from 1. above)

3. Locations of Collateral (if different from 1. above)

SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

EXHIBIT "F"

**SECURITY AGREEMENT
(ACCOUNTS RECEIVABLE)**

1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to **ROYAL BANK OF CANADA** ("RBC"), a security interest (the "Security Interest") in the following:

- the Intangibles of Debtor described in Schedule "C" hereto and in any additional Schedules from time to time added hereto,

(hereinafter called "Debts"), and in all proceeds and renewals thereof and substitutions therefor and in the following described property of the Debtor namely:

- all lists, records and files relating to Debtor's customers, clients and patients,
- all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts or the proceeds thereof or by which Debts or the proceeds thereof are or may hereafter be secured, evidenced, acknowledged or made payable (including Chattel Paper, Securities and Instruments), now owned or hereafter owned or acquired by or on behalf of Debtor, and
- all Money (other than trust money lawfully belonging to others) hereafter received by or on behalf of Debtor in payment or satisfaction of Debts,

all of the foregoing being hereinafter collectively called "Collateral".

(b) Unless otherwise limited herein, the terms "Chattel Paper", "Instrument", "Intangible", "Security", "proceeds", "Money", "Account", "financing statement" and "financing change statement", whenever used herein, shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in clause 12 (s) as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto, is herein referred to as the "P.P.S.A.". Any reference hereto to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted by Debtor to RBC secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate unpaid balance thereof, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances") save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC prior to their creation or assumption;

(b) Debtor is authorized to enter into this Security Agreement;

(c) each debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, setoff, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise; and

(d) the locations specified in Schedule "B" are accurate and complete.

4. COVENANTS OF DEBTOR

So long as this Security Agreement remains in effect, Debtor covenants and agrees:

(a) to defend Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "A" or hereafter approved in writing by RBC prior to their creation or assumption, and not to sell, exchange, transfer, assign or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC and, in any event, Debtor shall deposit with RBC all Money received constituting Collateral with the right, until default and subject to Clause 7 hereof, to use such Money in the ordinary course of Debtor's business;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral,

- (iv) any default by any Account Debtor in payment or other performance of his/her obligations with respect to Collateral; and
- (v) the return to or repossession by Debtor of any goods underlying Collateral and hold the same in trust for RBC and dispose of the same as RBC may direct;

(c) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(d) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(e) to carry on and conduct the business of Debtor in a proper and efficient manner, and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest; and

(f) to deliver to RBC from time to time promptly upon request:

- (i) any instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business, and
- (iv) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, collect, use and enjoy and deal with the Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

9. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

(a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;

(b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;

(c) the bankruptcy or insolvency of Debtor, the filing against Debtor of petition in bankruptcy, the making of an assignment for the benefit of creditors by Debtor, the appointment of a receiver or trustee for Debtor or for any assets of Debtor, or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;

(d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up affairs of Debtor;

(e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;

(f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if a distress or analogous process is levied upon the assets of Debtor or any part thereof;

(h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor, or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

10. ACCELERATION

RBC, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or, if RBC, considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

11. REMEDIES

(a) RBC may, either directly or through its agents or nominees, take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, may sell or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(b) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(c) Debtor acknowledges that RBC may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC to assemble and deliver possession of Collateral at such place or places as directed.

(d) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, processing and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(e) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.

12. MISCELLANEOUS

(a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable, or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right of set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other of further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any Instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 11 (e) hereof, notice of any other action taken by RBC.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clause 11 (e) and 12 (k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC, and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and notwithstanding such notice, shall remain in full force and effect thereafter until all indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provision of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

13. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC, or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces)

14. Debtor represents and warrants that the following information is accurate:

INDIVIDUAL DEBTOR

SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR	CITY	PROVINCE	POSTAL CODE
SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

BUSINESS DEBTOR

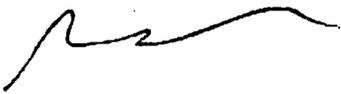
NAME OF BUSINESS DEBTOR CNS IRON FABRICATION LTD.			
ADDRESS OF BUSINESS DEBTOR 38 Simpson Road	CITY Bolton	PROVINCE ON	POSTAL CODE L7E 1Y4

TRADE NAME (IF APPLICABLE)

TRADE NAME OF DEBTOR			
PRINCIPAL ADDRESS (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 8th day of October 2021

CNS IRON FABRICATION LTD.


WITNESS





Seal

WITNESS

Seal

BRANCH ADDRESS

WINDSOR BUSINESS BANKING CENTRE 245 OUELLETTE AVE 2ND FLR WINDSOR ON N9A 7J2

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

SCHEDULE "B"

1. Locations of Debtor's Business Operations

38 Simpson Road
Bolton, Ontario
L7E 1Y4

2. Locations of Records relating to Collateral (if different from 1. above)

3. Locations of Collateral (if different from 1. above)

SCHEDULE "C"

(DESCRIPTION OF INTANGIBLES)

All accounts receivable of CNS IRON FABRICATION LTD. relating to or arising out of export contracts for which the Bank has provided financing under the Export Development Canada Export Guarantee Program.

EXHIBIT "G"

SECURITY AGREEMENT
(INVENTORY)

1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to **ROYAL BANK OF CANADA** ("RBC"), a security interest (the "Security Interest") in the following:

- the inventory of Debtor described in Schedule "C" hereto and in any additional Schedules from time to time added hereto,

(which term includes such inventory as may be returned to or repossessed by Debtor) and in all proceeds thereof and in all of the following now owned or hereafter owned or acquired by or on behalf of Debtor, namely:

- all lists, records and files relating to Debtor's customers, clients, and patients,
- all deeds, documents, writings, papers and books relating to or being records of Inventory or its proceeds or by which Inventory or the proceeds are or may hereafter be secured, made payable, evidenced or acknowledged, including Securities, Chattel Paper, Instruments and Documents of Title, and
- all contractual rights, insurance claims, patents, trademarks, copyrights and other industrial property relating to Inventory,

all of the foregoing being hereinafter collectively called "Collateral."

(b) Unless otherwise limited herein, the terms "Chattel Paper", "Document of Title", "Instrument", "Security", "proceeds", "Inventory", "accession", "Money", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in clause 12(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A." Provided always that the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted by Debtor to RBC secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon), present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and, so long as this Security Agreement remains in effect, shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances") save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC prior to their creation or assumption;

(b) the Debtor is authorized to enter into this Security Agreement;

(c) each debt, Chattel Paper and Instrument constituting proceeds of Inventory is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"); and

(d) the locations specified in Schedule "B" are accurate and complete save for Inventory in transit to such locations or Inventory on lease or consignment.

4. COVENANTS OF DEBTOR

So long as this Security Agreement remains in effect, Debtor covenants and agrees:

(a) to defend Collateral against the claims and demands of all other parties claiming the same or an interest therein except, as to Inventory, purchasers and lessees thereof in the ordinary course of Debtor's business; to keep Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "A" or hereafter approved in writing by RBC prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC and, in any event, Debtor shall deposit all Money received from any disposition of Collateral with RBC with the right, until default, to sell or lease Inventory and use the proceeds in the ordinary course of Debtor's business;

(b) to notify RBC promptly of:

(i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,

(ii) the details of any significant acquisition of Collateral,

- (iii) the details of any claims or litigation affecting Debtor or Collateral,
- (iv) any loss of or damage to Collateral,
- (v) any default by any Account Debtor in payment or other performance of his/her obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep the Collateral in good order and condition for sale, lease or use and not to use it or any part thereof in violation of the provisions of this Security Agreement or any other agreement relating to the Inventory or any policy insuring the Inventory or any applicable statute, law, by-law, rule, regulation or ordinance;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable

(f) to insure the collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest; and

(i) to deliver to RBC from time to time promptly upon request:

- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business,
- (iv) all policies and certificates of insurance relating to Collateral, and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, collect, use and enjoy and deal with the Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and, for such purpose, to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

9. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

(a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;

(b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;

(c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor; or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;

(d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor

(e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;

(f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if a distress or analogous process is levied upon the assets of Debtor or any part thereof;

(h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

10. ACCELERATION

RBC, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or, if RBC, considers itself insecure or that the collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

11. REMEDIES

(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver": which term when used herein shall include a receiver and manager) of Collateral and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

(b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of collateral is to be made, as may be required by the P. P.S.A.

12. MISCELLANEOUS

(a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situated) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right of set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any Instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 11 (g) hereof, notice of any other action taken by RBC.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clause 11 (g) and 12 (k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC, and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provision of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that the Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

13. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces).

14. Debtor represents and warrants that the following information is accurate:

INDIVIDUAL DEBTOR

SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY	
ADDRESS OF INDIVIDUAL DEBTOR	CITY	PROVINCE	POSTAL CODE	
SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY	
ADDRESS OF INDIVIDUAL DEBTOR (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE	

BUSINESS DEBTOR

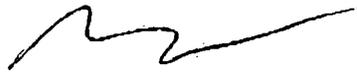
NAME OF BUSINESS DEBTOR CNS IRON FABRICATION LTD.				
ADDRESS OF BUSINESS DEBTOR 38 Simpson Road	CITY Burlington	PROVINCE ON	POSTAL CODE L7E 1Y4	

TRADE NAME (IF APPLICABLE)

TRADE NAME OF DEBTOR				
PRINCIPAL ADDRESS (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE	

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 8 day of October 2021

CNS IRON FABRICATION LTD.


WITNESS





WITNESS



BRANCH ADDRESS

WINDSOR BUSINESS BANKING CENTRE 245 QUELLETTE AVE 2ND FLR WINDSOR ON N9A 7J2

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

SCHEDULE "B"

1. Locations of Debtor's Business Operations

**38 Simpson Road
Bolton, Ontario
L7E 1Y4**

2. Locations of Records relating to Collateral (if different from 1. above)

3. Locations of Collateral (if different from 1. above)

SCHEDULE "C"

(DESCRIPTION OF INVENTORY)

All inventory of CNS IRON FABRICATION LTD. relating to or arising out of export contracts for which the Bank has provided financing under the Export Development Canada Export Guarantee Program.

EXHIBIT "H"

GUARANTEE AND POSTPONEMENT OF CLAIM

TO: ROYAL BANK OF CANADA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **MCGEORGE CLAEYS INVESTMENTS INC.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities").

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

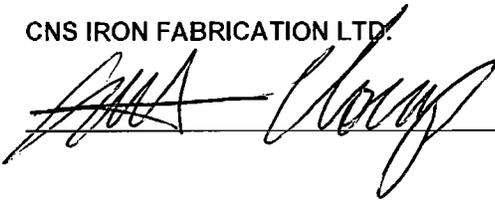
(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the Province of Ontario ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(Applicable in all P.P.S.A. Provinces except Ontario.) (17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

EXECUTED this 27 02 2021
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

CNS IRON FABRICATION LTD.


Insert the full name and address of guarantor (Undersigned above).

Full name and address
CNS IRON FABRICATION LTD.
38 Simpson Road Bolton, Ontario L7E 1Y4

(To be completed when the guarantee is stated to be governed by the laws of the Province of Alberta, the loan is repayable in Alberta, the guarantee is executed in Alberta, the Customer carries on business in Alberta, or the guarantor is resident or owns assets in Alberta.)

(To be completed only where the guarantor is not a corporation)

**THE GUARANTEES ACKNOWLEDGEMENT ACT (ALBERTA)
CERTIFICATE OF BARRISTER AND SOLICITOR**

I HEREBY CERTIFY THAT:

(1) _____, the guarantor in the guarantee dated _____ made between ROYAL BANK OF CANADA and _____, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;

(2) I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by _____, Barrister and Solicitor at the _____ of _____, in the Province of Alberta, this _____ day of _____, 20_____.

Signature

STATEMENT OF GUARANTOR

(Guarantor to sign in presence of Barrister and Solicitor)

I am the person named in the certificate _____

Signature of Guarantor

(To be completed when the guarantor is an individual and the guarantee is stated to be governed by the laws of Saskatchewan and the Customer is a farmer, farm corporation or farm partnership in Saskatchewan or engages in a farming operation or owns farm assets in Saskatchewan.)

**THE SASKATCHEWAN FARM SECURITY ACT ACKNOWLEDGEMENT OF GUARANTEE
(SECTION 31)
CERTIFICATE OF LAWYER OR NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

(1) _____ of _____ in the Province of _____, the guarantor in the guarantee dated _____ made between ROYAL BANK OF CANADA and _____, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;

(2) I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

(3) I have not prepared any documents on behalf of the creditor, Royal Bank of Canada, relating to the transaction and I am not otherwise interested in the transaction;

(4) I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

Given at _____ this _____ under my hand and seal of office

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

A LAWYER OR A NOTARY PUBLIC IN AND FOR

STATEMENT OF GUARANTOR

I am the person named in the certificate _____

Signature of Guarantor

EXHIBIT "I"



Royal Bank of Canada General Security Agreement

SRF:
346354442

BRANCH ADDRESS:
245 OUELLETTE AVE
2ND FLR
WINDSOR, ON
N9A 7J2

BORROWER:
MCGEORGE CLAEYS INVESTMENTS INC.

1. SECURITY INTEREST

a) For value received, the undersigned ("Debtor"), hereby grants to **ROYAL BANK OF CANADA** ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- i) all Inventory of whatever kind and wherever situate;
- ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- iv) all lists, records and files relating to Debtor's customers, clients and patients;
- v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- vi) all contractual rights and insurance claims;
- vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness

of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;
- b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;
- c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;
- d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations; and
- e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

- a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;
- b) to notify RBC promptly of:
 - i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
 - ii) the details of any significant acquisition of Collateral,
 - iii) the details of any claims or litigation affecting Debtor or Collateral,
 - iv) any loss or damage to Collateral,
 - v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
 - vi) the return to or repossession by Debtor of Collateral;
- c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trademarks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

- f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;
- g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;
- h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;
- i) to deliver to RBC from time to time promptly upon request:
 - i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
 - ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
 - iii) all financial statements prepared by or for Debtor regarding Debtor's business,
 - iv) all policies and certificates of insurance relating to Collateral, and
 - v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

- a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the Indebtedness or pay the same promptly to Debtor.
- b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- a) Whether or not default has occurred, Debtor authorizes RBC:
 - i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;

- ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;
- b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;
- c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;
- d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
- e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;
- f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;
- h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

- a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every

such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

- b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.
- d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.
- e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A..
- h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

- a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.
- b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.
- c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.
- d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.
- e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect

to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

f) Debtor waives protest of any Instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:

- i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
- ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the

laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15. COPY OF AGREEMENT

- a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.
- b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces).

16. Debtor represents and warrants that the following information is accurate:

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR MCGEORGE CLAEYS INVESTMENTS INC.			
ADDRESS OF BUSINESS DEBTOR 5840 NEWMAN, UNIT 101	CITY LASALLE	PROVINCE ON	POSTAL CODE N9J 0E3

IN WITNESS WHEREOF executed this 27 day of February 2021

MCGEORGE CLAEYS INVESTMENTS INC.

Seal

Seal

SCHEDULE "A"
(ENCUMBRANCES AFFECTING COLLATERAL)

SCHEDULE "B"

1. Locations of Debtor's Business Operations

5840 NEWMAN, UNIT 101

LASALLE

ON

CA

N9J 0E3

2. Locations of Records relating to Collateral (if different from 1. above)

3. Locations of Collateral (if different from 1. above)

SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

EXHIBIT "J"



Royal Bank of Canada
 Commercial Financial Services
 245 Ouellette Avenue – 2nd Floor
 Windsor, Ontario
 N9A 7J2

February 23, 2021

Private and Confidential

MCGEORGE CLAEYS INVESTMENTS INC.

Unit 101
 5840 Newman
 Lasalle, Ontario
 N9J 0E3

ROYAL BANK OF CANADA (the “Bank”) hereby offers the credit facilities described below (the “Credit Facilities”) subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the “Agreement”). Any and all security that has been delivered to the Bank and is set forth as Security below, shall remain in full force and effect, is expressly reserved by the Bank and, unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities. Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or Event of Default.

BORROWER: McGeorge Claeys Investments Inc. (the “Borrower”)

CREDIT FACILITIES

Facility #1: \$2,700,000.00 non-revolving term facility by way of:

- a) RBP based loans (“RBP Loans”) Interest rate (per annum) RBP + 1.00%
- b) Fixed Rate Term Loans (“FRT Loans”) Fixed interest rate to be determined at time of Borrowing

AVAILABILITY

The Borrower may borrow and convert up to the amount of this term facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time from time to time without notice.

REPAYMENT

Payment Amount:	To be determined at drawdown	Payment Frequency:	Monthly
Payment Type:	Blended (payment amount subject to annual adjustments to ensure	Payment date:	30 days from drawdown

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	amortization, if variable interest rate selected)		
Repayable in full on:	The last day of a 1 year term from drawdown if variable rate selected, or the last day of a 1, 2, 3 or 4 year term from drawdown if fixed rate selected, as selected by the Borrower	Original Amortization (months)	54

The specific repayment terms for Borrowings under this facility will be agreed to between the Borrower and the Bank at the time of drawdown by way of a Borrowing Request substantially in the form of Schedule "E" provided by the Borrower and accepted by the Bank.

FEES

Other Fees:

Renewal Fee:

If the Bank renews or extends any term facility or term loan beyond its Maturity Date, an additional renewal fee may be payable in connection with any such renewal in such amount as the Bank may determine and notify the Borrower.

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank, including, without limitation, any amounts outstanding under any Leases, if applicable, (collectively, the "Security"), shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Guarantee and postponement of claim on the Bank's form 812 for an unlimited amount signed by CNS Iron Fabrication Ltd., supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of CNS Iron Fabrication Ltd.;
- c) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$2,700,000.00 signed by Robert Claeys;
- d) Guarantee and postponement of claim on the Bank's form 812 or an unlimited amount signed by Robert Claeys in his capacity as trustee of Robert Claeys Trust, supported by, a legal opinion from the trust's counsel, in form and substance satisfactory to the Bank, confirming, *inter alia*, i) the trust is validly created and validly existing under the laws of the Province of Ontario ii) the name of the trustee, iii) the trustee is qualified to enter into, in his capacity as trustee of the trust, and perform his obligations under the Security iv) and the Security have been executed and delivered by the trustee, acting in his capacity as trustee of the trust, held in support of Facility #1;
- e) Postponement and assignment of claim on the Bank's form 918 signed by Robert Claeys in his capacity as trustee of Robert Claeys Trust, held in support of Facility #1;
- f) Postponement and assignment of claim on the Bank's form 918 signed by Congetta Bove and the Borrower, together with the Bank's form of amending agreement with respect to certain permitted payments, held in support of Facility #1;
- g) Postponement and assignment of claim on the Bank's form 918 signed by Salvatore Castelli and the Borrower, together with the Bank's form of amending agreement with respect to certain permitted payments, held in support of Facility #1.

FINANCIAL COVENANTS

In the event that the Borrower or CNS Iron Fabrication Ltd. changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain on a combined basis for the Borrower and CNS Iron Fabrication Ltd., to be measured as at the end of each fiscal year:
 - i. ensure, to be measured as at the end of each fiscal year, a ratio Funded Debt to EBITDA of not greater than 4.0:1 as of fiscal year ending December 31, 2021, reducing to 3.5:1 as of fiscal year ending December 31, 2022, and thereafter maintain to be measured as at the end of each fiscal year, a ratio of Funded Debt to EBITDA of not greater than 3.5:1.
 - ii. Fixed Charge Coverage of not less than 1.25:1.

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) annual review engagement financial statements for CNS Iron Fabrication Ltd., within 90 days of each fiscal year end;
- b) annual notice to reader financial statements for the Borrower, within 90 days of each fiscal year end;
- c) annual notice to reader combined financial statements for the Borrower and CNS Iron Fabrication Ltd., within 90 days of each fiscal year end;
- d) annual personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every fiscal year of the Borrower, commencing with the fiscal year ending in 2022; and
- e) such other financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require;
- d) a copy of a duly completed and executed purchase and sale agreement in respect of purchase of shares of the Borrower, satisfactory to the Bank;
- e) a copy of a recent accountant prepared financial statements as of Dec 31 2020, confirming no any material change from the management level, satisfactory to the Bank; and
- f) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally:

- g) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank;
- h) no Borrowing under Facility #1 will be made available unless the Bank has received a Borrowing Request from the Borrower substantially in the form of Schedule "E".

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

GOVERNING LAW JURISDICTION

Province of Ontario.

ACCEPTANCE

This Agreement is open for acceptance until March 26, 2021 after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



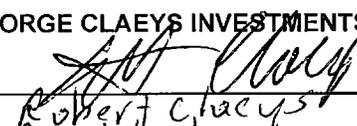
Per: _____
Title: Vice President

RBC Contact: Patrick Soulliere

/as

We acknowledge and accept the terms and conditions of this Agreement on this 27 day of February 2021

MCGEORGE CLAEYS INVESTMENTS INC.



Per: _____
Name: Robert Claeys
Title: President

Per: _____
Name:
Title:

I/We have the authority to bind the Borrower

Attachments:

Terms and Conditions

Schedules:

- Definitions
- Calculation and Payment of Interest and Fees
- Additional Borrowing Conditions
- Borrowing Request
- RBC Covarity Dashboard Terms and Conditions

TERMS AND CONDITIONS

The Bank is requested by the Borrower to make the Credit Facilities available to the Borrower in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrower agrees, and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations. For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

In the case of any reducing term loan and/or reducing term facility ("**Reducing Term Loan/Facility**"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("**Renewal Letter**") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the Maturity Date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings are by way of RBP Loans, the Borrower may prepay such Borrowings in whole or in part without fee or premium.

Where Borrowings are by way of FRT Loans, provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay such Borrowings on a non-cumulative basis up to the percentage, as selected by the Borrower for each FRT Loan, of the outstanding principal balance on the day of prepayment, without fee or premium, once per year during the 12 month period from each anniversary date of the Borrowing. Any prepayment of Borrowings by way of FRT Loans prior to the maturity date, in whole or in part (in excess of any prepayment explicitly permitted in this Agreement), requires an amendment of the terms of this Agreement. An amendment to permit such a prepayment requires the Bank's prior written consent. The Bank may provide its consent to an amendment to permit a prepayment upon satisfaction by the Borrower of any conditions the Bank may reasonably impose, including, without limitation, the Borrower's agreement to pay the Prepayment Fee as defined below.

The Prepayment Fee will be calculated by the Bank as the sum of:

- a) the greater of:

- (i) the amount equal to 3 months' interest payable on the amount of the FRT Loan Borrowings being prepaid, calculated at the interest rate applicable to the FRT Loan Borrowings on the date of prepayment; and
- (ii) the present value of the cash flow associated with the difference between the Bank's original cost of funds for the FRT Loan and the current cost of funds for a loan with a term substantially similar to the remaining term of the FRT Loan and an amortization period substantially similar to the remaining amortization period of the FRT Loan, each as determined by the Bank on the date of such prepayment;

plus:

- b) forgone margin over the remainder of the term of the FRT Loan. Foregone margin is defined as the present value of the difference between the Bank's original cost of funds for the FRT Loan and the interest that would have been charged to the Borrower over the remaining term of the FRT Loan;

plus:

- c) a processing fee.

The Prepayment Fee shall also be payable by the Borrower in the event that the Bank demands repayment of the outstanding principal of the FRT Loan on the occurrence of an Event of Default. The Borrower's obligation to pay the Prepayment Fee will be in addition to any other amounts then owing by the Borrower to the Bank, will form part of the loan amount and will be secured by the Security described herein.

The prepayment of any Borrowings under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "**Accounts**") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;

- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable, or any Event of Default, ii) the Bank acting upon instructions given or

agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower, or a Guarantor if applicable, in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the

Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor if applicable for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "**Paper Record**") into electronic images (each, an "**Electronic Image**") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) if applicable, it is duly constituted, validly existing and duly registered or qualified to carry on business or its operations in all jurisdictions where the nature of its properties, assets, business or operations make such registration or qualification necessary or desirable;

- b) the execution, delivery and performance by it of this Agreement do not violate any Applicable Laws or agreements to which it is subject or by which it is bound, and where applicable, have been duly authorized by all necessary actions and do not violate its constating documents;
- c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or any Security or any other agreement delivered to the Bank or an Event of Default;
- d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental and Health and Safety Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing and/or the entering into each Lease, if applicable, hereunder.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases, if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

JUDGEMENT CURRENCY

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "**Judgement Currency**") any amount due hereunder in any currency other than the Judgement Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgement is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgement is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgement Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency together with interest at RBP and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the Borrower under this section will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this Agreement.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an “Event of Default” which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower, or any Guarantor if applicable, under this Agreement or in any other document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.

INCREASED COSTS

If any change in Applicable Laws or the interpretation thereof after the date hereof (i) imposes or increases taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) imposes or increases any reserve or other similar requirement or (iii) imposes or changes any other condition affecting the Credit Facilities, and the result of any of the foregoing results in any additional cost to the Bank of making available, continuing or maintaining any of the Credit Facilities hereunder (or maintaining any obligations to make any such Credit Facilities available hereunder) or results in any reduction in the amount of any sum received or receivable by the Bank in connection with this Agreement or the Credit Facilities made available hereunder, then from time to time, upon written request of the Bank, the Borrower shall promptly pay to the Bank, such additional amount or amounts as will compensate the Bank for any such additional costs incurred or reduction suffered.

CONFIDENTIALITY

This Agreement and all of its terms are confidential (“Confidential Information”). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person other than the Borrower’s directors, officers, employees, agents, advisors, contractors, consultants and other representatives of the Borrower who need to know the Confidential Information for the purpose of this Agreement, who shall be informed of the confidential nature of the Confidential Information and who agree or are otherwise bound to treat the Confidential Information consistent with the terms of this Agreement. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank’s prior written consent.

Schedule "A"

DEFINITIONS

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are **"Borrowings"**;

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed throughout Canada;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

"Capital Expenditures" means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

"Cash Taxes" means, for any fiscal period, any amounts paid in respect of income taxes;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Corporate Distributions" means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

"EBITDA" means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

“Fixed Charge Coverage” means, for any fiscal period, the ratio of EBITDA plus payments under operating leases less cash income taxes, Corporate Distributions and Unfunded Capital Expenditures to Fixed Charges;

“Fixed Charges” means, for any fiscal period, the total of Interest Expense, scheduled principal payments in respect of Funded Debt and payments under operating leases;

“Funded Debt” means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

“Guarantor” means any Person who has guaranteed the obligations of the Borrower under this Agreement;

“Interest Expense” means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances;

“Lease” means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

“Maturity Date” means the date on which a facility is due and payable in full;

“Permitted Encumbrances” means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

“Person” includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity;

“Policy” means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

“Postponed Debt” means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

“Potential Prior-Ranking Claims” means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

“RBP” and **“Royal Bank Prime”** each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

“Release” includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

“Unfunded Capital Expenditures” means Capital Expenditures not funded by either bank debt or equity proceeds.

Schedule "B"

CALCULATION AND PAYMENT OF INTEREST AND FEES

LIMIT ON INTEREST

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law. In no event shall the effective interest rate payable by the Borrower under any facility be less than zero.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

RBP LOANS

The Borrower shall pay interest on each RBP Loan, monthly in arrears, on the 26th day of each month or such other day as may be agreed to between the Borrower and the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Borrowing.

FRT LOANS

The Borrower shall pay interest on each loan in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.

Schedule "E"

BORROWING REQUEST

The Borrower hereby requests the following be established under Facility # _____:

Date of Borrowing			
Amount of Borrowing:	\$		
Amortization (in months):			
Selected Term: (Borrowing repayable in full on the last day of the Term)			
Payment Amount:	\$		
Payment Frequency:	weekly <input type="checkbox"/>	bi-weekly <input type="checkbox"/>	
	semi-monthly <input type="checkbox"/>	monthly <input type="checkbox"/>	
	quarterly <input type="checkbox"/>	semi-annual <input type="checkbox"/>	annual <input type="checkbox"/>
Selected Interest Rate (per annum):	% <input type="checkbox"/>	RBP + % <input type="checkbox"/>	<input type="checkbox"/>
Selected Payment Type:	Blended (Principal and Interest) If variable interest rate selected with blended payments, the payment amount is subject to annual adjustment to ensure amortization	<input type="checkbox"/> Principal plus Interest	<input type="checkbox"/>
First Payment Due Date:			
Amount Eligible for Prepayment of FRT Loan:	0% <input type="checkbox"/>	10% <input type="checkbox"/>	

Dated this _____ day of _____, 20_____.

MCGEORGE CLAEYS INVESTMENTS INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the Borrower

SRF# 346354442

Schedule "D"

ADDITIONAL BORROWING CONDITIONS

FRT Loans:

Borrowings made by way of FRT Loans will be subject to the following terms and conditions:

- a) each FRT Loan shall have a minimum term of one year;
- b) the Borrower shall select an amount eligible for prepayment of 10% or 0% for each new FRT Loan prior to the advance of such FRT Loan;
- c) each FRT Loan shall be in an amount not less than \$10,000.00; and
- d) each FRT Loan shall have a term as outlined in the applicable repayment section of each corresponding credit facility, provided that the maturity date of any FRT Loan issued under any term facility shall not extend beyond the Maturity Date of the term facility.

Schedule "H"

RBC COVARIETY DASHBOARD TERMS AND CONDITIONS

If the Borrower elects to fulfill the reporting requirements relating to the submission of financial information set out in this Agreement by accessing a secure web based portal ("**RBC Covarity Dashboard**") via the Internet and using RBC Covarity Dashboard to electronically upload the Borrower's financial information and to complete online and electronically submit certificates, reports and/or forms (the "**Service**"), then the following terms and conditions (the "**RBC Covarity Dashboard Terms and Conditions**") apply and are deemed to be included in, and form part of, the Agreement.

1. Definitions. For the purpose of the RBC Covarity Dashboard Terms and Conditions:

"Disabling Code" means any clock, timer, counter, computer virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software.

"Designated User" an individual permitted to act on behalf of and bind the Borrower in all respects, and specifically in the submission of Electronically Uploaded Financial Information and/or Electronically Submitted Certificates.

"Electronic Channel" means any telecommunication or electronic transmission method which may be used in connection with the Service, including computer, Internet, telephone, e-mail or facsimile.

"Electronic Communication" means any information, disclosure, request or other communication or agreement sent, received or accepted using an Electronic Channel.

"Electronically Submitted Certificates" means certificates, reports and/or forms completed online and electronically submitted by any Designated User accessing the Service.

"Electronically Uploaded Financial Information" means financial data, reports and/or information of the Borrower electronically uploaded by any Designated User accessing the Service.

"Internet" means a decentralized global communications medium and the world-wide network of computer networks, accessible to the public, that are connected to each other using specific protocols, which provides for file transfer, electronic mail, remote log in, news, database access, and other services.

"Password" means a combination of numbers and/or letters selected by a Designated User that is used to identify the Designated User. The Password is used in conjunction with a User ID to access the Service.

"Security Breach" means any breach in the security of the Service, or any actual or threatened use of the Service, a Security Device, or Electronic Channel in a manner contrary to the Agreement, including, without limitation, the introduction of Disabling Code or a Virus to the Service.

"Security Device" means a combination of a User ID and Password.

"Software" means any computer program or programming (in any code format, including source code), as modified from time to time, and related documentation.

"User ID" means the combination of numbers and/or letters selected by the Borrower used to identify a particular Designated User. The User ID is used in conjunction with a Password to access the Service.

"Virus" means an element which is designed to corrupt data or enable access to or adversely impact upon the performance of computer systems, including any virus, worm, logic bomb and Trojan horse.

Terms defined in the Agreement have the same meanings where used in the RBC Covarity Dashboard Terms and Conditions.

2. Access to the Service. The Borrower will appoint one or more Designated User(s) to access the Service on behalf of the Borrower. The Borrower acknowledges and agrees that each Designated User appointed by the Borrower may electronically upload the Borrower's financial information and may view all previously uploaded financial information and all calculations in the RBC Covarity Dashboard.

At the time of registration for the Service, the Borrower will advise the Bank of the name and e-mail address of each Designated User. The Borrower will immediately advise the Bank if a Designated User changes or is no longer valid.

The Bank will provide the Borrower with a User ID and temporary password for each Designated User. Each Designated User will receive the User ID and temporary password delivered to their e-mail address. Each Designated User will change the temporary password to a unique Password which may not be easily guessed or obtained by others. If it is suspected or known that the Password has been compromised in any way, the Password must be changed immediately.

On first access to the Service, each Designated User will be required to read and agree to terms of use which will thereafter be accessible from a link located on each web page of the Service.

3. Security Devices. The Borrower recognizes that possession of a Security Device by any person may result in that person having access to the Service. The Borrower agrees that the use of a Security Device in connection with the Service, including any information sent, received or accepted using the Service, will be deemed to be conclusive proof that such information is accurate and complete, and the submission of which is authorized by, and enforceable against, the Borrower.

The Borrower is responsible for maintaining the security and confidentiality of Security Devices which may be used in connection with the Service. The Borrower is responsible for ensuring that a Security Device will only be provided to and used by a Designated User. The Borrower agrees to be bound by any actions or omissions resulting from the use of any Security Device in connection with the Service.

4. Security. Each party shall at all times have in place appropriate policies and procedures to protect the security and confidentiality of the Service, Electronic Channels and Electronic Communication and to prevent any unauthorized access to and use of the Service and Electronic Channels. The Borrower agrees to comply with any additional procedures, standards or other security requirements that the Bank may require in order to access the Service.

The Borrower will not (i) access or use the Service for an illegal, fraudulent, malicious or defamatory purpose, or (ii) take steps or actions that could or do undermine the security, integrity, effectiveness, goodwill or connectivity of the Service (including illegal, fraudulent, malicious, defamatory or other activities that threaten to harm or cause harm to any other person).

The Borrower agrees not to transmit via the Service any viruses, worms, defects, Trojan horses or any items of a destructive nature. The Borrower shall maintain the security of their computer by using anti-virus scanning, a firewall and installing the latest security patches to provide assurance that no Virus is introduced into the systems or Software while accessing the Service.

5. Unsecure Electronic Channels. The Borrower acknowledges and agrees that if it uses, or if it authorizes and directs the Bank to use, any unencrypted Electronic Channel, including unencrypted e-mail or facsimile, any Electronic Communication sent, received and/or accepted

using such Electronic Channel is not secure, reliable, private or confidential. Any such Electronic Communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Borrower assumes full responsibility for the risks associated with such Electronic Communication.

6. Notice of Security Breach. The Borrower shall notify the Bank by notifying the RBC Account Manager in writing immediately of any Security Breach including: (i) any application vulnerability or if a Virus is contained in or affects transmission of information to the Service; or (ii) if the Borrower knows or reasonably ought to know that an unauthorized person may have access to the Service, Security Device or Electronic Channel.

If a Security Breach occurs the Borrower shall: (i) assist the Bank in the management of any consequences arising from it; (ii) take any reasonable steps necessary for it to take to mitigate any harm resulting from it; and (iii) take appropriate steps to prevent its recurrence.

7. Binding Effect. Any Electronic Communication that the Bank receives from or in the name of, or purporting to be from or in the name of, the Borrower or any other person on the Borrower's behalf in connection with the Service, will be considered to be duly authorized by, and enforceable against, the Borrower. The Bank will be authorized to rely and act on any such Electronic Communication, even if the Electronic Communication was not actually from the Borrower or such other person or differs in any way from any previous Electronic Communication sent to the Bank. Any Electronically Uploaded Financial Information will be considered to be financial information submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Uploaded Financial Information accordingly. Any Electronically Submitted Certificates will be considered to be certificates, reports and/or forms completed and submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Submitted Certificates accordingly.

8. Representations and Warranties. The Borrower represents and warrants to the Bank that each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted: (i) all financial statements, certificates, forms, reports and all information contained therein will be accurate and complete in all respects; (ii) all amounts certified as Potential Prior-Ranking Claims will be current amounts owing and not in arrears; (iii) all representations and warranties contained in the Agreement will be true and correct; and (iv) no event will have occurred which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or breach of any covenant or other term or condition of the Agreement. The Borrower will be deemed to repeat these representations and warranties each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted.

9. Evidence. Electronic records and other information obtained by the Bank in an Electronic Communication will be admissible in any legal, administrative or other proceedings as conclusive evidence of the contents of those communications in the same manner as an original paper document, and the Borrower waives any right to object to the introduction of any such record or other information into evidence on that basis.

10. Limitation of Liability. The Bank is not responsible or liable for any damages arising from: (i) inaccurate, incomplete, false, misleading, or fraudulent information provided to the Bank; (ii) losses incurred as a result of an actual or potential Security Breach; or (iii) losses incurred as a result of application vulnerability or Virus that is contained in or affects any Software or systems used by or on behalf of the Borrower in connection with the Service.

Although every effort is made to provide secure transmission of information, timely communication and confidentiality cannot be guaranteed. In no event shall the Bank be liable for any loss or harm resulting from the use of the Service, or from a breach of confidentiality in respect of use of the Service.

11. Termination. The ability of the Borrower to fulfill the reporting requirements relating to the submission of financial information set out in the Agreement using RBC Covarity Dashboard shall terminate upon revocation of access to the Service. In addition, the Bank may suspend or terminate access to or discontinue the Service immediately for any reason at any time without prior notice. The Bank will not be responsible for any loss or inconvenience that may result from such suspension or termination. The Borrower, upon giving notice to the Bank by notifying the RBC Account Manager in writing, may terminate use of the Service at any time.

12. Amendment. The Bank may amend these RBC Covarity Dashboard Terms and Conditions upon 30 days notice (which may be given electronically by way of e-mail or in writing) to the Borrower. The Borrower agrees that the continued use of the Service after the effective date of a change will constitute conclusive evidence of consent to all such amendments and the Borrower shall be bound by the amendments.



Royal Bank of Canada
Commercial Financial Services
245 Ouellette Avenue – 2nd Floor
Windsor, Ontario
N9A 7J2

April 5, 2021

Private and Confidential

MCGEORGE CLAEYS INVESTMENTS INC.

Unit 101
5840 Newman
Lasalle, Ontario
N9J 0E3

We refer to the agreement dated February 23, 2021 and any amendments thereto, between McGeorge Claeys Investments Inc., as the Borrower, and Royal Bank of Canada, as the Bank, (the "**Agreement**").

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under any Bank document, and whether known or unknown, and this amending agreement shall not be construed as a waiver of any such breach, default or Events of Default.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Agreement is amended as follows:

1. The Security section is amended and restated as follows:

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank, including, without limitation, any amounts outstanding under any Leases, if applicable, (collectively, the "**Security**"), shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Guarantee and postponement of claim on the Bank's form 812 for an unlimited amount signed by CNS Iron Fabrication Ltd., supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of CNS Iron Fabrication Ltd.;
- c) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$2,700,000.00 signed by Robert Claeys;

* Registered Trademark of Royal Bank of Canada

- d) Guarantee and postponement of claim on the Bank's form 812 for an unlimited amount signed by Robert Claeys in his capacity as trustee of The Claeys Family Trust, supported by, a legal opinion from the trust's counsel, in form and substance satisfactory to the Bank, confirming, *inter alia*, i) the trust is validly created and validly existing under the laws of the Province of Ontario ii) the name of the trustee, iii) the trustee is qualified to enter into, in his capacity as trustee of the trust, and perform his obligations under the Security iv) and the Security have been executed and delivered by the trustee, acting in his capacity as trustee of the trust, held in support of Facility #1;
- e) Postponement and assignment of claim on the Bank's form 918 signed by Robert Claeys in his capacity as trustee of The Claeys Family Trust, held in support of Facility #1;
- f) Postponement and assignment of claim on the Bank's form 918 signed by Congetta Bove, held in support of Facility #1; and
- g) Postponement and assignment of claim on the Bank's form 918 signed by Salvatore Castelli, held in support of Facility #1.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

CONDITIONS PRECEDENT

The effectiveness of this amending agreement is conditional upon receipt of:

- a) a duly executed copy of this amending agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally;

- e) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

COUNTERPART EXECUTION

This amending agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

All other terms and conditions outlined in the Agreement remain unchanged and in full force and effect.

This amending agreement is open for acceptance until May 5, 2021, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



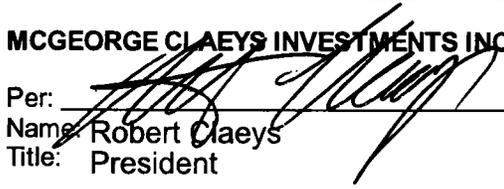
Per: _____
Title: Vice President

RBC Contact: Patrick Soulliere

/hm

Agreed to and accepted this 6 day of April, 2021.

MCGEORGE CLAEYS INVESTMENTS INC.

Per:  _____



Name: Robert Claeys

Title: President

Per: _____

Name:

Title:

I/We have the authority to bind the Borrower



Royal Bank of Canada
Commercial Financial Services
245 Ouellette Avenue – 2nd Floor
Windsor, Ontario
N9A 7J2

October 8, 2021

Private and Confidential

CLAEYS FAMILY HOLDINGS INC.

Unit 101
5840 Newman
Lasalle, Ontario
N9J 0E3

We refer to the agreement dated February 23, 2021 between McGeorge Claeys Investments Inc., now Claeys Family Holdings Inc., by virtue of a name change, as the Borrower, and Royal Bank of Canada, as the Bank (the "Agreement").

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or Events of Default now existing or hereafter arising under any Bank document, and whether known or unknown, and this amending agreement shall not be construed as a waiver of any such breach, default or Events of Default.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

The Agreement is amended as follows:

1. All references to the name of the Borrower "McGeorge Claeys Investments Inc." are amended and restated as "Claeys Family Holdings Inc."
2. The Financial Covenants section is amended and restated as follows:

FINANCIAL COVENANTS

In the event that the Borrower or CNS Iron Fabrication Ltd. changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary facility the Borrower covenants and agrees with the Bank that the Borrower will:

- a) maintain on a combined basis for the Borrower and CNS Iron Fabrication Ltd., to be measured as at the end of each fiscal year:
 - i. ensure, to be measured as at the end of each fiscal year, a ratio Funded Debt to EBITDA of not greater than 4.25:1, reducing to 3.75:1 as of fiscal year ending March

* Registered Trademark of Royal Bank of Canada

31, 2023 and further reducing to 3.25:1 as of fiscal year ending March 31, 2024 and thereafter maintain to be measured as at the end of each fiscal year, a ratio of Funded Debt to EBITDA of not greater than 3.25:1.

ii. Fixed Charge Coverage of not less than 1.25:1.

3. Under the Reporting Requirements section, paragraph f) is added as follows:

f) quarterly company prepared combined financial statements for the Borrower and CNS Automotive Fabrication Inc., within 45 days of each fiscal quarter end.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions.

provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

CONDITIONS PRECEDENT

The effectiveness of this amending agreement is conditional upon receipt of:

- a) a duly executed copy of this amending agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally;

- e) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank.

COUNTERPART EXECUTION

This amending agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

All other terms and conditions outlined in the Agreement remain unchanged and in full force and effect.

This amending agreement is open for acceptance until November 8, 2021, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President

RBC Contact: Patrick Soulliere

/as

Claeys Family Holdings Inc.

October 8, 2021

Agreed to and accepted this 8 day of October, 2021.

CLAEYS FAMILY HOLDINGS INC.

Per. _____

Name: Robert Claeys

Title: President

Per. _____

Name:

Title:

I/We have the authority to bind the Borrower

EXHIBIT "K"

GUARANTEE AND POSTPONEMENT OF CLAIM

TO: ROYAL BANK OF CANADA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **MCGEORGE CLAEYS INVESTMENTS INC.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities").

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

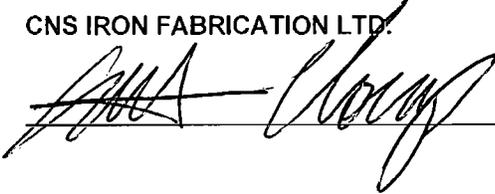
(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the Province of Ontario ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(Applicable in all P.P.S.A. Provinces except Ontario.) (17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

EXECUTED this 27 02 2021
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

CNS IRON FABRICATION LTD.


Insert the full name and address of guarantor (Undersigned above).

Full name and address
CNS IRON FABRICATION LTD.
38 Simpson Road Bolton, Ontario L7E 1Y4

(To be completed when the guarantee is stated to be governed by the laws of the Province of Alberta, the loan is repayable in Alberta, the guarantee is executed in Alberta, the Customer carries on business in Alberta, or the guarantor is resident or owns assets in Alberta.)

(To be completed only where the guarantor is not a corporation)

**THE GUARANTEES ACKNOWLEDGEMENT ACT (ALBERTA)
CERTIFICATE OF BARRISTER AND SOLICITOR**

I HEREBY CERTIFY THAT:

(1) _____, the guarantor in the guarantee dated _____ made between ROYAL BANK OF CANADA and _____, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;

(2) I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by _____, Barrister and Solicitor at the _____ of _____, in the Province of Alberta, this _____ day of _____, 20_____.

Signature

STATEMENT OF GUARANTOR

(Guarantor to sign in presence of Barrister and Solicitor)

I am the person named in the certificate _____

Signature of Guarantor

(To be completed when the guarantor is an individual and the guarantee is stated to be governed by the laws of Saskatchewan and the Customer is a farmer, farm corporation or farm partnership in Saskatchewan or engages in a farming operation or owns farm assets in Saskatchewan.)

**THE SASKATCHEWAN FARM SECURITY ACT ACKNOWLEDGEMENT OF GUARANTEE
(SECTION 31)
CERTIFICATE OF LAWYER OR NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

(1) _____ of _____ in the Province of _____, the guarantor in the guarantee dated _____ made between ROYAL BANK OF CANADA and _____, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;

(2) I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

(3) I have not prepared any documents on behalf of the creditor, Royal Bank of Canada, relating to the transaction and I am not otherwise interested in the transaction;

(4) I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

Given at _____ this _____ under my hand and seal of office

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

A LAWYER OR A NOTARY PUBLIC IN AND FOR

STATEMENT OF GUARANTOR

I am the person named in the certificate _____

Signature of Guarantor

EXHIBIT "L"

Enquiry Result

File Currency: **02MAY 2022**
[Show All Pages](#)

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	CNS IRON FABRICATION LTD.								
File Currency	02MAY 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	744296283	1	10	1	16	01OCT 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
744296283		001	3		20181001 0906 1219 2841	P PPSA	07		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	CNS IRON FABRICATION LTD								
	Address				City	Province	Postal Code		
	38 SIMPSON ROAD				BOLTON	ON	L7E 1Y4		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	14FEB1978	SALVATORE				CASTELLI			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	22 DIANA WOOD RIDGE				WOODBIDGE	ON	L4L 6X9		
Secured Party	Secured Party / Lien Claimant								
	TD AUTO FINANCE (CANADA) INC.								
	Address				City	Province	Postal Code		
	PO BOX 4086, STATION A				TORONTO	ON	M5W 5K3		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X	X	25603		
Motor Vehicle Description	Year	Make			Model		V.I.N.		
	2018	RAM			1500		1C6RR7FT8JS219647		
General Collateral Description	General Collateral Description								

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

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	CNS IRON FABRICATION LTD.						
File Currency	02MAY 2022						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	744296283	1	10	2	16	01OCT 2025	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
744296283		002	3		20181001 0906 1219 2841		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	14FEB1978	SALVATORRE		CASTELLI
Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code
	22 DIANA WOOD RIDGE	WOODBIDGE	ON	L4L 6X9

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	14FEB1978	SALVATORE		CASTELLI
Business Debtor	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code
	22 DIANA WOOD RIDGE	WOODBIDGE	ON	L4L 6X9

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

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

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

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	CNS IRON FABRICATION LTD.						

File Currency	02MAY 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	744296283	1	10	3	16	01OCT 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
744296283		003	3		20181001 0906 1219 2841				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	14FEB1978	SAM				CASTELLI			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	22 DIANA WOOD RIDGE				WOODBIDGE	ON	L4L 6X9		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	CNS IRON FABRICATION LTD.								
File Currency	02MAY 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	744575049	2	10	4	16	09OCT 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
744575049		001	3		20181009 0900 1219 3335	P PPSA	07		

Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	CNS IRON FABRICATION LTD									
	Address				City	Province	Postal Code			
	38 SIMPSON ROAD				BOLTON	ON	L7E 1Y4			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
	14FEB1978	SALVATORE				CASTELLI				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			
	22 DIANA WOOD RIDGE				WOODBIDGE	ON	L4L 6X9			
Secured Party	Secured Party / Lien Claimant									
	TD AUTO FINANCE (CANADA) INC.									
	Address				City	Province	Postal Code			
	PO BOX 4086, STATION A				TORONTO	ON	M5W 5K3			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
			X		X	X	73503			
Motor Vehicle Description	Year	Make			Model		V.I.N.			
	2018	JEEP			WRANGLER JL		1C4HJXEG6JW143922			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
	D+H LIMITED PARTNERSHIP (TDAF)									
	Address				City	Province	Postal Code			
	2 ROBERT SPECK PARKWAY, 15TH FL				MISSISSAUGA	ON	L4Z 1H8			

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	CNS IRON FABRICATION LTD.									
File Currency	02MAY 2022									
	File Number	Family	of Families	Page	of Pages	Expiry Date		Status		
	744575049	2	10	5	16	09OCT 2025				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number		Registered Under	Registration Period		
744575049		002	3		20181009 0900 1219 3335					
Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
	14FEB1978	SALVATORRE				CASTELLI				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			
	22 DIANA WOOD RIDGE				WOODBIDGE	ON	L4L 6X9			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
	14FEB1978	SALVATORE				CASTELLI				

Business Debtor	Business Debtor Name						Ontario Corporation Number			
	Address						City	Province	Postal Code	
	22 DIANA WOOD RIDGE						WOODBIDGE	ON	L4L 6X9	
Secured Party	Secured Party / Lien Claimant									
	Address						City	Province	Postal Code	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model		V.I.N.			
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
	Address						City	Province	Postal Code	

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	CNS IRON FABRICATION LTD.									
File Currency	02MAY 2022									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	744575049	2	10	6	16	09OCT 2025				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number		Registered Under	Registration Period		
744575049		003	3		20181009 0900 1219 3335					
Individual Debtor	Date of Birth		First Given Name			Initial	Surname			
	14FEB1978		SAM				CASTELLI			
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	Address						City	Province	Postal Code	
	22 DIANA WOOD RIDGE						WOODBIDGE	ON	L4L 6X9	
Individual Debtor	Date of Birth		First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name						Ontario Corporation Number			
	Address						City	Province	Postal Code	
Secured Party	Secured Party / Lien Claimant									
	Address						City	Province	Postal Code	

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Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make	Model			V.I.N.				
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent									
	Address					City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor									
Search Conducted On	CNS IRON FABRICATION LTD.									
File Currency	02MAY 2022									
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status			
	752970456	3	10	7	16	03JUL 2024				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period			
752970456		01	001		20190703 1941 1531 8515	P PPSA	5			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	CNS IRON FABRICATION LTD.									
	Address				City	Province	Postal Code			
	38 SIMPSON ROAD				BOLTON	ON	L7E 1Y4			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number				
	Address				City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant									
	ROYAL BANK OF CANADA									
	Address				City	Province	Postal Code			
	36 YORK MILLS ROAD, 4TH FLOOR				TORONTO	ON	M2P 0A4			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
		X	X	X	X	X				
Motor Vehicle Description	Year	Make	Model			V.I.N.				

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

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CNS IRON FABRICATION LTD.						
File Currency	02MAY 2022						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	769546062	4	10	8	16	29JAN 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Cautions Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
769546062		01	001		20210129 1444 1530 1562	P PPSA	5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
Business Debtor	Business Debtor Name			Ontario Corporation Number
	CNS IRON FABRICATION LTD.			
	Address	City	Province	Postal Code
	38 SIMPSON RD	BOLTON	ON	L7E 1Y4

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

Secured Party	Secured Party / Lien Claimant			
	ROYAL BANK OF CANADA			
	Address	City	Province	Postal Code
	36 YORK MILLS ROAD, 4TH FLOOR	TORONTO	ON	M2P 0A4

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

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

General Collateral Description	General Collateral Description			

Registering Agent	Registering Agent			
	CANADIAN SECURITIES REGISTRATION SYSTEMS			

Address	City	Province	Postal Code
4126 NORLAND AVENUE	BURNABY	BC	V5G 3S8

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CNS IRON FABRICATION LTD.						
File Currency	02MAY 2022						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	771091443	5	10	9	16	31MAR 2031	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
771091443		001	1		20210331 1047 6083 9592	P PPSA	10

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CNS IRON FABRICATION LTD.			
	Address	City	Province	Postal Code
	38 SIMPSON ROAD	BOLTON	ON	L7E 1Y4

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

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

Secured Party	Secured Party / Lien Claimant			
	SALVATORE CASTELLI, JR.			
	Address	City	Province	Postal Code
	22 DIANA WOOD RIDGE	WOODBIDGE	ON	L4L 6X9

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

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

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent			
	CAPO SGRO LLP (TEC)			
	Address	City	Province	Postal Code
	SUITE 400, 7050 WESTON RD.	WOODBIDGE	ON	L4L 8G7

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CNS IRON FABRICATION LTD.						
File Currency	02MAY 2022						
	File Number	Family	of	Page	of	Expiry Date	Status
							221

	Families	Pages							
771091524	6	10	10	16	31MAR 2031				
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
771091524		001	1		20210331 1048 6083 9594	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	CNS IRON FABRICATION LTD.								
	Address			City	Province	Postal Code			
	38 SIMPSON ROAD			BOLTON	ON	L7E 1Y4			
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	CONGETTA BOVE								
	Address			City	Province	Postal Code			
	13 DOCTOR REYNAR ROAD			CALEDON	ON	L7E 4H3			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make		Model		V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	CAPO SGRO LLP (TEC)								
	Address			City	Province	Postal Code			
	SUITE 400, 7050 WESTON RD.			WOODBIDGE	ON	L4L 8G7			

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	CNS IRON FABRICATION LTD.								
File Currency	02MAY 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	774057825	7	10	11	16	02JUL 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
774057825		001	2		20210702 1312 1219 8220	P PPSA	04		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				

Business Debtor	Business Debtor Name					Ontario Corporation Number			
	CNS IRON FABRICATION INC								
	Address			City	Province	Postal Code			
	38 SIMPSON RD			BOLTON	ON	L7E 1Y4			
Individual Debtor	Date of Birth		First Given Name		Initial		Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	CANADIAN DEALER LEASE SERVICES INC.								
	Address			City	Province	Postal Code			
	372 BAY STREET, SUITE 1800			TORONTO	ON	M5H 2W9			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X	X	74316		
Motor Vehicle Description	Year	Make		Model		V.I.N.			
	2021	VOLVO		XC60		LYVBR0DK6MB817265			
General Collateral Description	General Collateral Description								
	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES								
Registering Agent	Registering Agent								
	TERANET COLLATERAL MANAGEMENT SOLUTIONS CORPORATION (BNS)								
	Address			City	Province	Postal Code			
	2 ROBERT SPECK PARKWAY, 15TH FL			MISSISSAUGA	ON	L4Z 1H8			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	CNS IRON FABRICATION LTD.								
File Currency	02MAY 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date		Status	
	774057825	7	10	12	16	02JUL 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number		Registered Under	Registration Period	
774057825		002	2		20210702 1312 1219 8220				
Individual Debtor	Date of Birth		First Given Name		Initial		Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth		First Given Name		Initial		Surname		
Business Debtor	Business Debtor Name					Ontario Corporation Number			

		Address		City		Province		Postal Code		
Secured Party		Secured Party / Lien Claimant								
		BANK OF NOVA SCOTIA - DLAC								
		Address		City		Province		Postal Code		
		44 KING STREET W, SCOTIA PLAZA		TORONTO		ON		M5H 1H1		
Collateral Classification		Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description		Year	Make			Model		V.I.N.		
General Collateral Description		General Collateral Description								
Registering Agent		Registering Agent								
		Address		City		Province		Postal Code		

END OF FAMILY

Type of Search		Business Debtor								
Search Conducted On		CNS IRON FABRICATION LTD.								
File Currency		02MAY 2022								
		File Number	Family	of Families	Page	of Pages	Expiry Date		Status	
		775671885	8	10	13	16	23AUG 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN										
File Number		Caution Filing	Page of	Total Pages	Motor Vehicle Schedule		Registration Number		Registered Under	Registration Period
775671885			001	2			20210823 1517 1532 8266		P PPSA	04
Individual Debtor		Date of Birth		First Given Name			Initial		Surname	
Business Debtor		Business Debtor Name							Ontario Corporation Number	
		CNS IRON FABRICATION LTD								
		Address				City		Province	Postal Code	
		38 SIMPSON RD				BOLTON		ON	L7E1Y4	
Individual Debtor		Date of Birth		First Given Name			Initial		Surname	
Business Debtor		Business Debtor Name							Ontario Corporation Number	
		Address				City		Province	Postal Code	
Secured Party		Secured Party / Lien Claimant								
		CANADIAN DEALER LEASE SERVICES INC.								
		Address		City		Province		Postal Code		
								224		

372 BAY STREET, SUITE 1800						TORONTO	ON	M5H2W9	
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X	X	78832.86		
Motor Vehicle Description	Year	Make			Model		V.I.N.		
	2021	VOLVO			XC60		LYVBR0DK6MB817265		
General Collateral Description	General Collateral Description								
	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES								
Registering Agent	Registering Agent								
	D + H LIMITED PARTNERSHIP								
Address						City	Province	Postal Code	
2 ROBERT SPECK PARKWAY, 15TH FLOOR						MISSISSAUGA	ON	L4Z 1H8	

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	CNS IRON FABRICATION LTD.								
File Currency	02MAY 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	775671885	8	10	14	16	23AUG 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Cauton Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
775671885		002	2		20210823 1517 1532 8266				
Individual Debtor	Date of Birth		First Given Name		Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
Address					City	Province	Postal Code		
Individual Debtor	Date of Birth		First Given Name		Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
Address					City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	BANK OF NOVA SCOTIA - DLAC								
Address					City	Province	Postal Code		
44 KING STREET W, SCOTIA PLAZA					TORONTO	ON	M5H1H1		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		

General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	CNS IRON FABRICATION LTD.								
File Currency	02MAY 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	777182175	9	10	15	16	08OCT 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
777182175		001	1		20211008 1226 1532 2196	P PPSA	05		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	CNS IRON FABRICATION LTD.								
	Address			City	Province	Postal Code			
	38 SIMPSON ROAD			BOLTON	ON	L7E 1Y4			
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address			City	Province	Postal Code			
	36 YORK MILLS ROAD, 4TH FLOOR			TORONTO	ON	M2P 0A4			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	D + H LIMITED PARTNERSHIP								

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

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	CNS IRON FABRICATION LTD.						
File Currency	02MAY 2022						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	777182364	10	10	16	16	08OCT 2026	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
777182364		001	1		20211008 1233 4085 8252	P PPSA	05

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	CNS IRON FABRICATION LTD.			
	Address	City	Province	Postal Code
	38 SIMPSON ROAD	BOLTON	ON	L7E 1Y4

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

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

Secured Party	Secured Party / Lien Claimant			
	ROYAL BANK OF CANADA			
	Address	City	Province	Postal Code
	36 YORK MILLS ROAD, 4TH FLOOR	TORONTO	ON	M2P 0A4

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

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

General Collateral Description	General Collateral Description

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

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EXHIBIT "M"

Enquiry Result

File Currency: 02MAY 2022



All Pages ▾



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Type of Search	Business Debtor								
Search Conducted On	CLAEYS FAMILY HOLDINGS INC.								
File Currency	02MAY 2022								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	770069862	1	1	1	3	23FEB 2026			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
770069862		01	001		20210223 1936 1531 4289	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	MCGEORGE CLAEYS INVESTMENTS INC.								
	Address			City	Province	Postal Code			
	UNIT 101, 5840 NEWMAN			LASALLE	ON	N9J 0E3			
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address			City	Province	Postal Code			
	36 YORK MILLS ROAD, 4TH FLOOR			TORONTO	ON	M2P 0A4			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								

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

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	CLAEYS FAMILY HOLDINGS INC.								
File Currency	02MAY 2022								
	File Number	Family	of Families	Page	of Pages				
	770069862	1	1	2	3				
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	1		20210909 1625 1532 1526				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	770069862			A AMNDMNT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	MCGEORGE CLAEYS INVESTMENTS INC.								
Other Change	Other Change								
Reason / Description	Reason / Description								
	BUSINESS DEBTOR NAME CHANGE								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	CLAEYS FAMILY HOLDINGS INC. S INC.								
	Address				City	Province	Postal Code		
	UNIT 101, 5840 NEWMAN				LASALLE	ON	N9J 0E3		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model			V.I.N.	
								231	

General Collateral Description	General Collateral Description			
Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	D + H LIMITED PARTNERSHIP			
	Address	City	Province	Postal Code
	2 ROBERT SPECK PARKWAY, 15TH FLOOR	MISSISSAUGA	ON	L4Z 1H8

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	CLAEYS FAMILY HOLDINGS INC.				
File Currency	02MAY 2022				
	File Number	Family	of Families	Page	of Pages
	770069862	1	1	3	3
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT					
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number
		001	1		20220310 1210 1590 2034
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years
	770069862		X	A AMNDMNT	
Reference Debtor/ Transferor	First Given Name		Initial	Surname	
	Business Debtor Name				
	CLAEYS FAMILY HOLDINGS INC. S INC.				
Other Change	Other Change				
Reason / Description	Reason / Description				
	TO AMEND NAME OF DEBTOR.				
Debtor/ Transferee	Date of Birth	First Given Name		Initial	Surname
	Business Debtor Name				Ontario Corporation Number
	CLAEYS FAMILY HOLDINGS INC.				
	Address		City	Province	Postal Code
	UNIT 101, 5840 NEWMAN		LASALLE	ON	N9J 0E3
Assignor Name	Assignor Name				
Secured Party	Secured party, lien claimant, assignee				
	Address		City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	HARRISON PENSA LLP (TCH/191135)								
	Address					City	Province	Postal Code	
	450 TALBOT ST. PO BOX 3237					LONDON	ON	N6A 4K3	

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EXHIBIT "N"



CNS Iron Fabrication Ltd., Claeys Family Holdings Inc.
and CNS Automotive Fabrication Inc
38 Simpson Rd
Bolton, ON
L7E1Y4

March 2, 2022

Re: Royal Bank of Canada (“the Bank”), CNS Iron Fabrication Ltd., Claeys Family Holdings Inc. and CNS Automotive Fabrication Inc. (collectively, the “Company”)

The purpose of this letter is to confirm our upcoming meeting (via conference call) on Monday, March 7th at 10am to discuss the Company’s financial situation.

It appears that the Company has experienced difficulties and the Bank has concerns based on, but not limited to, the following issues:

- Working capital shortfall resulting in excesses over and above the approved operating facility limit;
- Inability to margin the current operating line limit under standard margining;
- Compressed profit margins in Q3 resulting in losses that are expected to put the Company offside of year-end financial covenants;
- Inability of ownership to inject additional equity on its own, to help resolve the current cash flow issues.

Based on our concerns noted above, the Company’s risk profile has deteriorated and, as a result, the Bank will require specialized assistance to manage your account going forward. Accordingly, management of your account has been re-assigned to the below referenced Manager in our Special Loans & Advisory Services group, which is located in London, ON.

Scott Thornhill – Senior Manager
Special Loans & Advisory Services
Group Risk Management
148 Fullerton St, 11th Floor
London, Ontario
N6A 5P3
Phone: (519) 660-7665

Mr. Thornhill wishes to introduce himself at a date to be arranged shortly, at which time he will fully explain his role in managing your credit going forward.

The difficulties being experienced by the Company may warrant the Bank's solicitors/consultant's attendance at the meeting. You are encouraged to make arrangements to discuss the situation with your own legal representative, accountant and/or financial advisor who you may require to attend.

As Mr. Thornhill will have responsibility for your account, all future enquiries should be directed to his attention after the meeting date. Until that time, I will remain your contact at the Bank.

Due to the higher risk and additional administration now attached to your account, the Bank will be reviewing all rates and fees being charged.

Any costs that might be incurred by the Bank on account of its professional advisors will be for the Company's account and will be charged to the Company's Current Account from time to time. We will provide you with copies of these invoices if these expenses are incurred.

We remind you that, notwithstanding excesses that may have been permitted in the past, your accounts and loans are to continue to operate and repay as agreed, within approved limits. Any cheques and/or debits presented on your accounts will be returned NSF, without notice to you, if such items cause an excess over and above approved limits.

Yours truly,
ROYAL BANK OF CANADA

Patrick Soulliere
Senior Account Manager
Commercial Banking

cc. Scott Thornhill
cc. Jason Zomok

EXHIBIT "O"

Rob Danter

From: Rob Danter
Sent: Wednesday, May 4, 2022 12:20 PM
To: Rob Danter
Subject: FW: CNS/Claeys [IWVOV-HPMain.FID609310]

From: "Thornhill, Scott" <scott.thornhill@rbc.com>
Date: April 8, 2022 at 8:56:07 AM EDT
To: Bob Claeys <bob.claeys@cnsfabrication.com>
Subject: Credit Facilities Excesses

Bob,

The line of credit is over its temporary limit by approximately \$95,000 this morning as a result of payroll and payroll taxes paid. As a result of this, the accounts are going to be put on "deposit only" until the excess is paid and the April payment for the term loan is made. The documents required to support your request for an extension of the bulge in the line of credit are still outstanding, ie cash flow forecast to June 15th, confirmation from CRA that HST and source deductions are current as well as a balance sheet as of Feb. 28/22. Given that the temporary bulge expires Monday April 11th, we require this by noon today. Given the deterioration in the financial position of the business, the Bank's lawyer will be issuing demand letters for the credit facilities in the next couple of days. We can discuss future steps after that time.

Scott Thornhill, CPA-CMA | Senior Manager | Special Loans and Advisory Services
Royal Bank of Canada | Group Risk Management
148 Fullarton Street 11th Floor, London, Ontario, N6A 5P3 |
Mobile – 519-636-2597 | E-Mail: scott.thornhill@rbc.com

Scott Thornhill, CPA-CMA | Senior Manager | Special Loans and Advisory Services
Royal Bank of Canada | Group Risk Management
148 Fullarton Street 11th Floor, London, Ontario, N6A 5P3 |
Mobile – 519-636-2597 | E-Mail: scott.thornhill@rbc.com

EXHIBIT "P"

April 8, 2022

Royal Bank of Canada
148 Fullarton Street, 11th Floor
London, ON N6A 5P3

Attention: Scott Thornhill

Dear Mr. Thornhill:

Re: CNS Iron Fabrication Ltd. (the “Company”)

1. Engagement

- 1.1 The Company is indebted to the Royal Bank of Canada (the “**Bank**”) in the approximate amount of \$5.2 million and this indebtedness is secured by general and specific security agreements (the “**Security**”).
- 1.2 The Bank requires the services of MNP Ltd. (the “**Advisor**”) to prepare an assessment of the present financial condition, the security position of the Bank and future viability of the Company’s operations.

2. Scope of Services

- 2.1 Our advisory approach to this engagement will likely include, but will not be limited to, the following:
 - Discussion and correspondence with management of the Company;
 - Review of the assets and operations of the Company, including the current financial position and forecast;
 - Review the short-term liquidity position and viability of the Company;
 - Review of general economic conditions, public data and other information as determined appropriate by us;
 - Review of the Bank’s security position with respect to the Company; and
 - On site assessment of the Company’s operations and assets.
- 2.2 The Advisor will prepare and deliver a draft report (excluding recommendations and conclusions) to the Company for its review and comment with respect to the facts contained therein. A final report will be delivered to the Bank shortly thereafter, with no copy of same being made available to the Company.
- 2.3 During the course of the engagement, the Advisor shall be acting as a consultant and it shall not, nor will it, assume any decision making or other management responsibility in

connection with the affairs of the Company, and it shall have no responsibility for the affairs of the Company during the course of this engagement

3. Information Required

- 3.1 Upon your acceptance of this engagement we will forward you and the Company a preliminary list of information that we will require to begin our advisory service. We will provide additional requests for information during the course of our engagement as we become aware of its necessity. We intend to rely on the information provided by the Company without audit or verification by us.
- 3.2 We will require the Company to provide the Advisor with all records and data relating to their operations including, without limitation, ledgers, receipt books, receivable and payable reports, records of all bank accounts of the Company, and all other information relevant to the operations of the Company.
- 3.3 We will require the Company to cooperate with and provide all information and answers to any questions relating to the affairs of the Company as required in the Advisor's opinion for it to be able to carry out effectively the engagement.

4. Restrictions

- 4.1 Neither our draft report(s) nor our final report(s) are intended for general circulation or publication, nor is either of them to be reproduced or used for any purpose other than that outlined above without prior written permission in each specific instance. We will not assume any responsibility or liability for losses occasioned by the Company, and/or investors of the Company, or any other parties as a result of the circulation, publication, reproduction or use of our draft report(s) or final report(s) contrary to the provisions of this paragraph.

5. Fees

- 5.1 All fees and disbursements incurred by the Advisor arising out of this engagement shall be for the account of the Company, however, they will be guaranteed by the Bank. Our fees are based on time required through to the completion of our engagement. Our fees do not include any costs associated with hiring of third-party equipment and/or agents, lawyers, real estate appraisers or engineers as required and pre-approved by you. Our accounts are remitted on a regular basis and interest is charged on overdue accounts at the rate of 1.5 percent per month.
- 5.2 Our current standard hourly fee schedule is summarized below:

Senior Vice President	\$580 to \$685
Senior Manager	\$395 to \$430
Manager	\$340 to \$365
Administrator/Staff	\$160 to \$275

6. Staffing

- 6.1 In order to meet your objectives we will bring together a team of insolvency specialists experienced in business review assessments. Our team will be headed by Rob Smith who will oversee the provision of services, calling upon manager and specialist staff as we deem appropriate.

7. Electronic Communications

- 7.1 The Bank acknowledges that: (i) MNP and the Bank may correspond or convey documentation via Internet e-mail unless the Bank expressly requests otherwise, (ii) neither party has control over the performance, reliability, availability, or security of Internet e-mail, and (iii) MNP shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond MNP's reasonable control.

8. Consent for Personal Information Collection, Use, and Disclosure

- 8.1 The privacy and security of the personal information you give us are important to us. MNP strives to ensure the strictest compliance with all applicable provincial and federal standards of protection and disclosure of personal information by any and all our employees, agents, divisions and/or affiliates (hereinafter referred to collectively as MNP). You may review our privacy policy at www.mnp.ca. We will not collect, use or disclose any of your personal information without your knowledge and consent, or as may be required by law.
- 8.2 By signing this engagement letter, you agree that MNP may collect, use and disclose personal information about you relevant to the purposes of this engagement. You also agree that MNP may collect and use personal information from you for the purposes of providing other services or informing you of other opportunities from time to time ("Other Matters"). Personal information that is not relevant to the purposes of this engagement or the Other Matters will not be disclosed to anyone for any reason without your further prior consent.

9. Conclusion

- 9.1 We appreciate the opportunity to provide you with our advisory services. If you are in agreement with the proposed terms of engagement as outlined above, please sign the authorization below, and return the executed original to us. If this letter is not correct, or if you have any questions in connection with the proposed appointment, please contact us immediately.

Yours very truly,

MNP Ltd.

Per: 
Rob Smith CPA, CA, CIRP, LIT
Senior Vice-President

This letter correctly sets out the agreement between us:

Royal Bank of Canada

Per: 
Scott Thornhill
Senior Manager, Special Loans & Advisory Services

Date: April 8, 2022

ACKNOWLEDGMENT AND CONSENT

CNS Iron Fabrication Ltd. (the “**Company**”) do hereby:

1. consent to the appointment of MNP Ltd. (“**MNP**”) as Advisor on the terms set forth in the attached letter dated April 8, 2022 between MNP and the Royal Bank of Canada (the “**Bank**”);
2. agree to provide its full and complete cooperation and cause its employees and consultants to provide full and complete cooperation to MNP and agree to assist MNP in the performance of its duties as Advisor;
3. agree to provide MNP full, complete and unrestricted access to the books, records and financial information for the Company and to grant access to the Company premises for the purposes of inspecting the operations;
4. acknowledge and agree that the Bank shall be entitled to disclose to MNP all information which the Bank has or subsequently acquires concerning the Company;
5. acknowledge that MNP shall have no managerial capacity with respect to the operations of the Company and will assume no decision-making responsibilities;
6. agree that MNP will be acting solely on behalf of the Bank with no legal duty to act as a consultant to the Company;
7. agree that MNP may disclose any and all information which it obtains to the Bank;
8. agree that MNP will be entitled to make copies of the books and records of the Company at the Company’s expense;
9. agree that in the event the Bank subsequently proceeds to enforce the security held by the Bank against the assets of the Company, MNP’s engagement shall not preclude it from acting as receiver (privately or court appointed) or agent on behalf of the Bank in such enforcement, or as licensed insolvency trustee, and for that purpose utilizing any information obtained in the course of its engagement as consultant;
10. agree that the Company is responsible for the payment of MNP’s professional fees and expenses, including HST, in connection with MNP’s engagement as Advisor and agree to pay all invoices rendered by MNP in connection with this engagement within 30 days of receipt of each invoice. In the event that the Company fails to make payment as required, the Company authorizes the Bank to debit the Company’s accounts/loans in payment of the professional fees and expenses of MNP in connection with the engagement;
11. acknowledge that the Bank reserves all rights and recourse to enforce the security which it holds over the assets of the Company; and

12. acknowledge that the engagement of MNP is not an act of enforcement by the Bank of its security.

CNS Iron Fabrication Ltd.



(Signature)

CEO

(Title)

I have the authority to bind the Company

EXHIBIT "Q"

Harrison Pensa

LAWYERS

Timothy C. Hogan

Direct Line: (519)-661-6743
thogan@harrisonpensa.com

Assistant: Cathy Coleiro
Direct Line: (519) 850-5568
ccoleiro@harrisonpensa.com

April 8, 2022

**Via Registered & Regular Mail
and Via E-mail – bob.claeys@cnsfabrication.com**

CNS Iron Fabrication Ltd.
38 Simpson Road
Bolton, ON L7E 1Y4

Dear Sir,

**Re: Indebtedness of CNS Iron Fabrication Ltd. to Royal Bank of Canada
(the “Bank”)
Our File No. 191135**

We are the solicitors for the Bank with respect to loans provided to CNS Iron Fabrication Ltd. (hereinafter the “**Debtor**”).

According to the Bank’s records, the Debtor is indebted to the Bank as at April 8, 2022, in the total sum of \$3,202,263.20 including all interest to April 8, 2022, plus all accruing interest, plus the Bank’s costs of enforcement on a solicitor and client basis (the “**Indebtedness**”).

The Indebtedness is comprised of the following:

Revolving Demand Facility	\$3,100,936.58 (number subject to change)
Visa	\$94,249.39 (number subject to change)
Billed legal fees to April 8, 2022	\$7,077.23

The Debtor is in default of certain agreements signed in favour of the Bank including, but not limited to, the following:

HARRISON PENSA LLP
Lawyers

1. Letter Agreement dated October 7, 2021, and amended by Letter Agreements dated January 19, 2022 and March 14, 2022;
2. General Security Agreement dated April 6, 2021;
3. Security Agreement (Inventory) dated October 8, 2021;
4. Security Agreement (Accounts Receivable) dated October 8, 2021;
5. RBC Royal Bank Visa Business Card Agreements dated March 2, 2021.

Further, the Debtor has provided the following guarantee to the Bank and this correspondence shall stand as the Bank's demand for payment on the following guarantee:

1. Guarantee from the Debtor with respect to the obligations of Claeys Family Holdings Inc. dated February 27, 2021 and unlimited in sum, upon which the sum of \$2,178,558.54 is due and owing, plus accruing interest and costs (the "**Guarantee Indebtedness**").

The total Indebtedness owing by the Debtor is \$5,380,821.74 ¹

On behalf of the Bank, we hereby demand payment of the Indebtedness owing by the Debtor together with interest thereon to the date of payment, ten (10) days from the date of this letter.

Failing payment within ten (10) days will result in the Bank taking such steps as it considers necessary or appropriate to recover payment of the Debtor's Indebtedness and to protect its interest.

We advise that no intermediate acts, negotiations or indulgences shall act as a waiver to Bank's rights, or demand for payment as set out herein, unless so expressly stated in writing.

The Bank expressly reserves its rights to take such further steps to protect its interest at any time, without further notice to the Debtor, if the Bank becomes aware of any matter which may impair its security. In addition, the Bank reserves the right to restrict or cancel all facilities at any time with no further notice and to place all bank accounts on deposit only.

¹ The Indebtedness plus the Guarantee Indebtedness

Finally, also find attached to this letter our client's Notice of Intention to Enforce Security as well as the relevant consent to immediate enforcement of the Bank's security. By signing this consent the Debtor waives the time period given by the Bank under this notice.

Yours truly,

HARRISON PENSA ^{LLP}

A handwritten signature in black ink, appearing to be 'TH' with a stylized flourish.

Timothy C. Hogan

TCH/cc

Enclosure

c: Claeys Family Holdings Inc., Robert Claeys as guarantors

6803248_1

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the *Bankruptcy and Insolvency Act*)

TO: CNS Iron Fabrication Ltd., an insolvent person

TAKE NOTICE THAT:

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described as:

All collateral of the insolvent person as described in all agreements between the insolvent person and the Royal Bank of Canada charging assets including the following security and the proceeds from the sale of said collateral:

- a. General Security Agreement dated April 6, 2021;
- b. Security Agreement (Inventory) dated October 8, 2021;
- c. Security Agreement (Accounts Receivable) dated October 8, 2021.

The property to which the security relates includes, but is not limited to, all accounts, book debts, inventory, and equipment, wherever located and all other collateral however described of the above-noted insolvent person and the proceeds thereof.

2. The security that is to be enforced is as detailed in all agreements between the insolvent person and the Royal Bank of Canada charging assets including in the form of:

- a. General Security Agreement dated April 6, 2021;
- b. Security Agreement (Inventory) dated October 8, 2021;
- c. Security Agreement (Accounts Receivable) dated October 8, 2021.

3. The total amount of indebtedness secured by the security is \$5,380,821.74 as of April 8, 2022, plus accruing interest as set out in the agreements, plus all costs of enforcement on a solicitor and client basis.

4. The secured creditor will not have the right to enforce its security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 8th day of April, 2022.

ROYAL BANK OF CANADA
by its solicitors, Harrison Pensa LLP



Per: _____
Timothy C. Hogan
Harrison Pensa LLP
450 Talbot Street, P.O. Box 3237
London, Ontario N6A 4K3
(519) 661-6743

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

CONSENT
(s.244(2) of the *Bankruptcy and Insolvency Act*)

THE UNDERSIGNED hereby acknowledges receipt of a copy of the Royal Bank of Canada's demand dated April 8, 2022 and the Notice of Intention to Enforce Security dated April 8, 2022 pursuant to s.244(1) of the *Bankruptcy and Insolvency Act* and hereby waives the 10 day period set out in the demand and notice and consents to the immediate enforcement of the Royal Bank of Canada's security.

DATED at _____, Ontario this _____ day of April, 2022.

CNS IRON FABRICATION LTD.

I have the authority to bind the Corporation

CLAEYS FAMILY HOLDINGS INC.

I have the authority to bind the Corporation

Witness

Robert Claeys

Harrison Pensa

LAWYERS

Timothy C. Hogan
Direct Line: (519)-661-6743
thogan@harrisonpensa.com

Assistant: Cathy Coleiro
Direct Line: (519) 850-5568
ccoleiro@harrisonpensa.com

April 8, 2022

**Via Registered & Regular Mail
and Via E-mail – bob.claeys@cnsfabrication.com**

Claeys Family Holdings Inc.
Unit 1, 5480 Newman Blvd.
Lasalle, ON N9J 0E3

Dear Sir,

**Re: Indebtedness of Claeys Family Holdings Inc. to Royal Bank of Canada (the
"Bank")
Our File No. 191135**

We are the solicitors for the Bank with respect to loans provided to Claeys Family Holdings Inc. (hereinafter the "**Debtor**").

According to the Bank's records, the Debtor is indebted to the Bank as at April 8, 2022, in the total sum of \$2,178,558.54 including all interest to April 8, 2022, plus all accruing interest, plus the Bank's costs of enforcement on a solicitor and client basis (the "**Indebtedness**").

The Indebtedness is comprised of the following:

Term Loan	\$2,178,558.54
-----------	----------------

The Debtor is in default of certain agreements signed in favour of the Bank including, but not limited to, the following:

1. Letter Agreement dated February 23, 2021, and amended by Letter Agreements dated April 5, 2021 and October 8, 2021;
2. General Security Agreement dated February 27, 2021.

Further, the Debtor has provided the following guarantee to the Bank and this correspondence shall stand as the Bank's demand for payment on the following guarantee:

HARRISON PENZA LLP
Lawyers

1. Guarantee from the Debtor with respect to the obligations of CNS Iron Fabrication Ltd. dated February 27, 2021 and unlimited in sum, upon which the sum of \$3,202,263.20 is due and owing, plus accruing interest and costs (the "Guarantee Indebtedness").

The total Indebtedness owing by the Debtor is \$5,380,821.74 ¹

On behalf of the Bank, we hereby demand payment of the Indebtedness owing by the Debtor together with interest thereon to the date of payment, ten (10) days from the date of this letter.

Failing payment within ten (10) days will result in the Bank taking such steps as it considers necessary or appropriate to recover payment of the Debtor's Indebtedness and to protect its interest.

We advise that no intermediate acts, negotiations or indulgences shall act as a waiver to Bank's rights, or demand for payment as set out herein, unless so expressly stated in writing.

The Bank expressly reserves its rights to take such further steps to protect its interest at any time, without further notice to the Debtor, if the Bank becomes aware of any matter which may impair its security. In addition, the Bank reserves the right to restrict or cancel all facilities at any time with no further notice and to place all bank accounts on deposit only.

Finally, also find attached to this letter our client's Notice of Intention to Enforce Security as well as the relevant consent to immediate enforcement of the Bank's security. By signing this consent the Debtor waives the time period given by the Bank under this notice.

Yours truly,

HARRISON PENSA ^{LLP}



Timothy C. Hogan

TCH/cc

Enclosure

c: CNS Iron Fabrication Ltd., Robert Claeys, The Claeys Family Trust as guarantors

6803538_1

¹ The Indebtedness plus the Guarantee Indebtedness

**NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244(1) of the *Bankruptcy and Insolvency Act*)**

TO: Claey's Family Holdings Inc., an insolvent person

TAKE NOTICE THAT:

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described as:

All collateral of the insolvent person as described in all agreements between the insolvent person and the Royal Bank of Canada charging assets including the following security and the proceeds from the sale of said collateral:

- a. General Security Agreement dated February 27, 2021.

The property to which the security relates includes, but is not limited to, all accounts, book debts, inventory, and equipment, wherever located and all other collateral however described of the above-noted insolvent person and the proceeds thereof.

2. The security that is to be enforced is as detailed in all agreements between the insolvent person and the Royal Bank of Canada charging assets including in the form of:

- a. General Security Agreement dated February 27, 2021.

3. The total amount of indebtedness secured by the security is \$5,380,821.74 as of April 8, 2022, plus accruing interest as set out in the agreements, plus all costs of enforcement on a solicitor and client basis.

4. The secured creditor will not have the right to enforce its security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at London, Ontario this 8th day of April, 2022.

ROYAL BANK OF CANADA
by its solicitors, Harrison Pensa LLP



Per: _____
Timothy C. Hogan
Harrison Pensa LLP
450 Talbot Street, P.O. Box 3237
London, Ontario N6A 4K3
(519) 661-6743

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

CONSENT
(s.244(2) of the *Bankruptcy and Insolvency Act*)

THE UNDERSIGNED hereby acknowledges receipt of a copy of the Royal Bank of Canada's demand dated April 8, 2022 and the Notice of Intention to Enforce Security dated April 8, 2022 pursuant to s.244(1) of the *Bankruptcy and Insolvency Act* and hereby waives the 10 day period set out in the demand and notice and consents to the immediate enforcement of the Royal Bank of Canada's security.

DATED at _____, Ontario this _____ day of April, 2022.

CLAEYS FAMILY HOLDINGS INC.

I have the authority to bind the Corporation
CNS IRON FABRICATION LTD.

I have the authority to bind the Corporation
TH CLAEYS FAMILY TRUST

I have the authority to bind the Corporation

Witness

Robert Claeys

EXHIBIT "R"

Harrison Pensa

LAWYERS

Timothy C. Hogan
Direct Line: 519-661-6743
thogan@harrisonpensa.com

Assistant: Cathy Coleiro
Direct Line: 519-850-5568
ccoleiro@harrisonpensa.com

April 8, 2022

Via Registered and Regular Mail

Robert Claeys
5840 Newman Blvd.
Lasalle, ON N9J 0E3

Dear Sir:

**Re: Indebtedness of CNS Iron Fabrication Ltd. ("CNS") and Claeys Family Holdings Inc. ("Holdings") to Royal Bank of Canada (the "Bank")
Our File No. 191135**

We are the solicitors for the Bank with respect to CNS and Holdings (collectively the "Debtors").

According to the Bank's records, CNS is indebted to the Bank in the amount of \$3,202,263.20 as of April 8, 2022 together with interest thereon plus the Bank's costs of enforcement on a solicitor and client basis.

Pursuant to a guarantee executed by you dated February 27, 2021 and limited to the sum of \$300,000.00, and a guarantee executed by you dated October 8, 2021 and limited to the sum of \$625,000.00 with respect to the obligations of CNS, you are liable for the sum of \$925,000.00 with interest continuing to accrue until payment, plus the Bank's legal fees on a solicitor and own client basis.

According to the Bank's records, Holdings is indebted to the Bank in the amount of \$5,380,821.74 as of April 8, 2022 together with interest thereon plus the Bank's costs of enforcement on a solicitor and client basis.

Pursuant to a guarantee executed by you dated February 27, 2021 and limited to the sum of \$2,700,000.00, with respect to the obligations of Holdings, you are liable for the sum of \$2,700,000.00 with interest continuing to accrue until payment, plus the Bank's legal fees on a solicitor and own client basis.

HARRISON PENSA LLP
Lawyers

The Indebtedness is due and payable within ten (10) days of the date of this letter. Payment is to be made within ten (10) days, failing which our client will take whatever steps it deems necessary to protect its interest.

Yours truly,

HARRISON PENSA LLP

A handwritten signature in black ink, appearing to be the initials 'TH' with a stylized flourish.

Timothy C. Hogan
TCH/cc

6803797_1

Harrison Pensa

LAWYERS

Timothy C. Hogan
Direct Line: 519-661-6743
thogan@harrisonpensa.com

Assistant: Cathy Coleiro
Direct Line: 519-850-5568
ccoleiro@harrisonpensa.com

April 8, 2022

Via Registered and Regular Mail

Claeys Family Trust
5840 Newman Blvd.
Lasalle, ON N9J 0E3

Dear Sir:

**Re: Indebtedness of Claeys Family Holdings Inc. to Royal Bank of Canada
(the "Bank")
Our File No. 191135**

We are the solicitors for the Bank with respect to Claeys Family Holdings Inc. (the "Debtor").

According to the Bank's records, the Debtor is indebted to the Bank in the amount of \$5,380,821.74 as of April 8, 2022 together with interest thereon plus the Bank's costs of enforcement on a solicitor and client basis (the "Indebtedness").

Pursuant to a guarantee executed by Claeys Family Trust dated April 6, 2021 and unlimited in sum, Claeys Family Trust is liable for the sum of \$5,380,821.74 with interest continuing to accrue until payment, plus the Bank's legal fees on a solicitor and own client basis.

The Indebtedness is due and payable within ten (10) days of the date of this letter. Payment is to be made within ten (10) days, failing which our client will take whatever steps it deems necessary to protect its interest.

Yours truly,
HARRISON PENZA LLP



Timothy C. Hogan
TCH/cc
6672719_1

HARRISON PENZA LLP
Lawyers

EXHIBIT "S"

Clayton Brent

From: Tim Hogan
Sent: Monday, April 11, 2022 4:18 PM
To: John D. Leslie
Cc: Scott Thornhill (Scott.thornhill@rbc.com); Jason DiFruscia
Subject: FW: RBC/CNS [IWOV-HPMain.FID609310]
Attachments: CCI03142022_0002.pdf; Demand letter and BIA notice - Claeys Family Holdings.pdf; CNS Iron Fabrication Ltd. - demand letter and BIA notice.pdf

John

The demands and notice issued (copies attached) expire effective April 19, 2022.

The Bank has engaged MNP Ltd. as an advisor. MNP attended to the borrowers' place of business this morning.

Note that the pursuant to the attached letter, the temporary increase to the Operating Facility (from \$2,500,000 to \$3,000,000) expires close of business today. The Bank is agreeable to providing credit at the \$3,000,000 limit on a day-to-day basis for a short period of time and in its absolute discretion, while the MNP reviews the matter.

In consideration of this day-to-day credit, we would ask that the borrowers and guarantors execute the consents attached to each of the section 244(1) BIA notices and return same to our attention.

As was provided in the demand letter, the Bank does reserve the right to restrict or cancel all facilities at any time with no further notice and to place all bank accounts on deposit only.

With respect to forbearance, please provide what terms your client can propose, which terms must include a cash injection to remedy cash flow and liquidity issues and any potential new collateral security available.

The Bank continues to rely on the demands and notice issued and does reserve all rights.

We look forward to hearing from you as soon as possible.

Tim Hogan | [HARRISON PENSA LLP](#) | 450 Talbot St., London, Ontario N6A 5J6 | *tel* 519-661-6743 | *fax* 519-667-3362 | thogan@harrisonpensa.com

Assistant | Cathy Coleiro | *tel* 519-850-5568 | ccoleiro@harrisonpensa.com

This e-mail may contain information that is privileged or confidential. If you are not the intended recipient, please delete the e-mail and any attachments and notify us immediately.

From: John D. Leslie <JLeslie@dickinson-wright.com>
Sent: Monday, April 11, 2022 9:27 AM
To: Tim Hogan <thogan@harrisonpensa.com>
Subject: RBC/CNS

[EXTERNAL EMAIL]

Please be advised that we have been retained by CNS and are in receipt of your demands. Please direct all future correspondence to this writer. Should you wish we are also happy to discuss the possibility of our clients entering into a Forbearance Agreement.

John D. Leslie Canadian Practice Group Chair - Insolvency and Restructuring

199 Bay Street
Suite 2200
Commerce Court West
Toronto ON M5L 1G4

Phone 416-646-3801
Fax 844-670-6009
Email JLeslie@dickinsonwright.com

[Profile](#) [V-Card](#)

DICKINSON WRIGHT LLP

ARIZONA CALIFORNIA FLORIDA ILLINOIS KENTUCKY MICHIGAN NEVADA
OHIO TENNESSEE TEXAS WASHINGTON D.C. TORONTO

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EXHIBIT "T"

Archived: Tuesday, May 3, 2022 9:34:57 PM
From: [Tim Hogan](#)
Sent: Tue, 19 Apr 2022 13:24:24
To: [John D. Leslie](#)
Cc: [Scott Thornhill \(Scott.thornhill@rbc.com\)](#) [Jason DiFruscia](#)
Subject: RE: RBC/CNS [IWOV-HPMain.FID609310]
Sensitivity: Normal

John

The Bank's demands expire today.

The Bank is continuing to review its position on its provision of continued credit, banking services and forbearance, and same continues on a day-to day basis in the Bank's discretion. All credit, banking services and forbearance can be terminated with no further notice.

The Bank continues to rely on the demands and notice issued and does reserve all rights.

Thank-you.

Tim Hogan | [HARRISON PENZA LLP](#) | 450 Talbot St., London, Ontario N6A 5J6 | *tel* 519-661-6743 | *fax* 519-667-3362 | thogan@harrisonpensa.com

Assistant | Cathy Coleiro | *tel* 519-850-5568 | ccoleiro@harrisonpensa.com

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From: Tim Hogan <thogan@harrisonpensa.com>
Sent: Monday, April 11, 2022 4:18 PM
To: John D. Leslie <JLeslie@dickinson-wright.com>
Cc: Scott Thornhill (Scott.thornhill@rbc.com) <scott.thornhill@rbc.com>; Jason DiFruscia <jdifruscia@harrisonpensa.com>
Subject: FW: RBC/CNS [IWOV-HPMain.FID609310]

John

The demands and notice issued (copies attached) expire effective April 19, 2022.

The Bank has engaged MNP Ltd. as an advisor. MNP attended to the borrowers' place of business this morning.

Note that the pursuant to the attached letter, the temporary increase to the Operating Facility (from \$2,500,000 to \$3,000,000) expires close of business today. The Bank is agreeable to providing credit at the \$3,000,000 limit on a day-to-day basis for a short period of time and in its absolute discretion, while the MNP reviews the matter.

In consideration of this day-to-day credit, we would ask that the borrowers and guarantors execute the consents attached to each of the section 244(1) BIA notices and return same to our attention.

As was provided in the demand letter, the Bank does reserve the right to restrict or cancel all facilities at any time with no further notice and to place all bank accounts on deposit only.

With respect to forbearance, please provide what terms your client can propose, which terms must include a cash injection to remedy cash flow and liquidity issues and any potential new collateral security available.

The Bank continues to rely on the demands and notice issued and does reserve all rights.

We look forward to hearing from you as soon as possible.

Tim Hogan | HARRISONPENSA.LLP | 450 Talbot St., London, Ontario N6A 5J6 | *tel* 519-661-6743 | *fax* 519-667-3362 | thogan@harrisonpensa.com

Assistant | Cathy Coleiro | *tel* 519-850-5568 | ccoleiro@harrisonpensa.com

This e-mail may contain information that is privileged or confidential. If you are not the intended recipient, please delete the e-mail and any attachments and notify us immediately.

From: John D. Leslie <JLeslie@dickinson-wright.com>

Sent: Monday, April 11, 2022 9:27 AM

To: Tim Hogan <thogan@harrisonpensa.com>

Subject: RBC/CNS

[EXTERNAL EMAIL]

Please be advised that we have been retained by CNS and are in receipt of your demands. Please direct all future correspondence to this writer. Should you wish we are also happy to discuss the possibility of our clients entering into a Forbearance Agreement.

John D. Leslie Canadian Practice Group Chair - Insolvency and Restructuring

199 Bay Street
Suite 2200
Commerce Court West
Toronto ON M5L 1G4

Phone 416-646-3801
Fax 844-670-6009
Email JLeslie@dickinsonwright.com

[Profile](#)

[V-Card](#)

DICKINSON WRIGHT LLP

ARIZONA CALIFORNIA FLORIDA ILLINOIS KENTUCKY MICHIGAN NEVADA
OHIO TENNESSEE TEXAS WASHINGTON D.C. TORONTO

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CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize and can verify the sender and know the content is safe.

COMING SOON: Harrison Pensa LLP will relocate to a new Downtown London office location effective Monday, June 6, 2022. Our new street address will be 130 Dufferin Avenue, Suite 1101, London, ON, N6A 5R2. Our P.O. Box will remain

the same: P.O. Box 3237 N6A 4K3

EXHIBIT "U"

Rob Danter

From: Rob Danter
Sent: Wednesday, May 4, 2022 12:25 PM
To: Rob Danter
Subject: FW: Urgent

From: Bob Claeys [mailto:bob.claeys@cnsfabrication.com]
Sent: 2022, April, 22 10:48 AM
To: Thornhill, Scott <scott.thornhill@rbc.com>
Cc: Brendan Hinton <brendan.hinton@mnp.ca>; Rob Smith <rob.smith@mnp.ca>; Maria Pattara <mpattara@cnsfabrication.com>; Paul Bove <pbove@cnsfabrication.com>; Sam Castelli <sam.castelli@cnsfabrication.com>
Subject: Urgent

[External]/[Externe]<<https://can01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fconnect.fg.rbc.com%2Fcommunity%2Ftechhub%2Fexternal-email-indicator&data=05%7C01%7Crdanter%40harrisonpensa.com%7C4c30f3e1831a4363cbc808da2d2b597f%7Ce859ef8675c04bf6a4c92260ecb85f34%7C1%7C0%7C637871961451743338%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQJjoiV2luMzliLCJBTiI6Ikk1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=PlstuiGRKxJjzk8a%2BaK6x2FQMdNTGR8rVyqxMm%2BMMC8%3D&reserved=0>>

Maria is updating cash flow today. We have been put on warning by 2 customers that backcharges will come if we miss mid May dates. The customers are Yukon Peri and Reimar. We need 130k today and collections today will only be 20k. Included in needs are source deductions in arrears of 30k. If we don't convert these 3 orders 250k of existing ar will vanish and 100k of wip will be wiped out. So I need help today.

Scott Crestmark will have a conditional offer by Tuesday Wednesday.

As you can see we need a little help just to convert 2 million backlog.

Also we can't fund any new orders. Our backlog will run out by early June it's still strong at 2 million and Crestmark loves that. I need to be able to take new orders. Maria is collecting like crazy but vendors continue to squeeze.

I want an extra 500k of TELP . EDC has us already approved us for additional 2 million without any approval required. You will only be on the hook for 125k which is badly needed to preserve the entity value.

Liquidation. I know MNP has sent you a number. I've done my own and it's ugly.

Management including me is working very hard and continue to be committed to turning this thing around. Maria on collections and battling with vendors, me on raising take out capital and Paul and Sam Maria and I on keeping employees calm as well as customers and vendors.

So please give us your thoughts today

Thanks Scott

Sent from my iPhone

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

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EXHIBIT "V"

Archived: Tuesday, May 3, 2022 9:43:14 PM

From: [Tim Hogan](#)

Sent: Fri, 29 Apr 2022 15:10:48 +0000Authentication

To: [John D. Leslie](#)

Cc: [Scott Thornhill \(Scott.thornhill@rbc.com\)](#) [Rob Danter](#) [Melinda Vine](#) [Rob Smith - MNP Ltd. \(rob.smith@mnp.ca\)](#)

Subject: RE: RBC/CNS [IWOV-HPMain.FID609310]

Sensitivity: Normal

John

Following on our discussions last evening and our e-mails of April 11, 2022 and April 19, 2022, we confirm that the Bank will be moving for a Court order appointing MNP as Receiver of the property of CNS and Claeys Family Holdings Inc. (the "Borrowers").

We further confirm that no further credit is available to these Borrowers. We also confirm the deposit overnight of approximately US\$200,000. As discussed, the Bank will permit CNS to access cash available on account to continue operations until the Court order is granted appointing MNP. The Bank's permitting of access to CNS' accounts is made with the Bank reserving all rights, pending the appointment of MNP as Receiver, and is strictly to permit CNS to maintain operations and to pay critical costs leading up to MNP's appointment.

The Bank is reserving its rights to ensure that only critical payments are made and will continue to review a daily list provided by the borrower as to the payments required to be made. The Bank does reserve the rights to apply any excess deposit of funds not required for operations as a permanent reduction of the debt, and to take all steps required to protect its interest.

Following its appointment, the Receiver will consider all options available to it that will benefit the receivership estate, including the practicality of working with management to wind down the CNS's operations. These considerations will be in the discretion of the Receiver.

We confirm that the Bank has confirmed the above in discussions with your client, and your client's co-operation is anticipated.

We will copy your office on our e-mail to the Commercial List seeking a Court date, noting that we will advise the Court that the matter is urgent.

Thank-you

Tim Hogan | [HARRISON PENZA LLP](#) | 450 Talbot St., London, Ontario N6A 5J6 | *tel* 519-661-6743 | *fax* 519-667-3362 | thogan@harrisonpensa.com

Assistant | [Cathy Coleiro](#) | *tel* 519-850-5568 | ccoleiro@harrisonpensa.com

This e-mail may contain information that is privileged or confidential. If you are not the intended recipient, please delete the e-mail and any attachments and notify us immediately.

From: Tim Hogan <thogan@harrisonpensa.com>

Sent: Tuesday, April 19, 2022 1:24 PM

To: John D. Leslie <JLeslie@dickinson-wright.com>

Cc: Scott Thornhill (Scott.thornhill@rbc.com) <scott.thornhill@rbc.com>; Jason DiFruscia <jdifruscia@harrisonpensa.com>

Subject: RE: RBC/CNS [IWOV-HPMain.FID609310]

John

The Bank's demands expire today.

The Bank is continuing to review its position on its provision of continued credit, banking services and forbearance, and same continues on a day-to day basis in the Bank's discretion. All credit, banking services and forbearance can be terminated with no further notice.

The Bank continues to rely on the demands and notice issued and does reserve all rights.

Thank-you.

Tim Hogan | [HARRISON PENSA LLP](mailto:thogan@harrisonpensa.com) | 450 Talbot St., London, Ontario N6A 5J6 | *tel* 519-661-6743 | *fax* 519-667-3362 | thogan@harrisonpensa.com

Assistant | Cathy Coleiro | *tel* 519-850-5568 | ccoleiro@harrisonpensa.com

This e-mail may contain information that is privileged or confidential. If you are not the intended recipient, please delete the e-mail and any attachments and notify us immediately.

From: Tim Hogan <thogan@harrisonpensa.com>

Sent: Monday, April 11, 2022 4:18 PM

To: John D. Leslie <JLeslie@dickinson-wright.com>

Cc: Scott Thornhill (Scott.thornhill@rbc.com) <scott.thornhill@rbc.com>; Jason DiFruscia <jdifruscia@harrisonpensa.com>

Subject: FW: RBC/CNS [IWOV-HPMain.FID609310]

John

The demands and notice issued (copies attached) expire effective April 19, 2022.

The Bank has engaged MNP Ltd. as an advisor. MNP attended to the borrowers' place of business this morning.

Note that the pursuant to the attached letter, the temporary increase to the Operating Facility (from \$2,500,000 to \$3,000,000) expires close of business today. The Bank is agreeable to providing credit at the \$3,000,000 limit on a day-to-day basis for a short period of time and in its absolute discretion, while the MNP reviews the matter.

In consideration of this day-to-day credit, we would ask that the borrowers and guarantors execute the consents attached to each of the section 244(1) BIA notices and return same to our attention.

As was provided in the demand letter, the Bank does reserve the right to restrict or cancel all facilities at any time with no further notice and to place all bank accounts on deposit only.

With respect to forbearance, please provide what terms your client can propose, which terms must include a cash injection to remedy cash flow and liquidity issues and any potential new collateral security available.

The Bank continues to rely on the demands and notice issued and does reserve all rights.

We look forward to hearing from you as soon as possible.

Tim Hogan | [HARRISON PENSA LLP](mailto:thogan@harrisonpensa.com) | 450 Talbot St., London, Ontario N6A 5J6 | *tel* 519-661-6743 | *fax* 519-667-3362 | thogan@harrisonpensa.com

Assistant | Cathy Coleiro | *tel* 519-850-5568 | ccoleiro@harrisonpensa.com

This e-mail may contain information that is privileged or confidential. If you are not the intended recipient, please delete the e-mail and any attachments and notify us immediately.

From: John D. Leslie <JLeslie@dickinson-wright.com>

Sent: Monday, April 11, 2022 9:27 AM

To: Tim Hogan <thogan@harrisonpensa.com>

Subject: RBC/CNS

[EXTERNAL EMAIL]

Please be advised that we have been retained by CNS and are in receipt of your demands. Please direct all future correspondence to this writer. Should you wish we are also happy to discuss the possibility of our clients entering into a Forbearance Agreement.

John D. Leslie Canadian Practice Group Chair - Insolvency and Restructuring

199 Bay Street
Suite 2200
Commerce Court West
Toronto ON M5L 1G4

Phone 416-646-3801
Fax 844-670-6009
Email JLeslie@dickinsonwright.com

[Profile](#) [V-Card](#)

DICKINSON WRIGHT LLP

ARIZONA CALIFORNIA FLORIDA ILLINOIS KENTUCKY MICHIGAN NEVADA
OHIO TENNESSEE TEXAS WASHINGTON D.C. TORONTO

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COMING SOON: Harrison Pensa LLP will relocate to a new Downtown London office location effective Monday, June 6, 2022. Our new street address will be 130 Dufferin Avenue, Suite 1101, London, ON, N6A 5R2. Our P.O. Box will remain the same: P.O. Box 3237 N6A 4K3

EXHIBIT "W"

Rob Danter

From: Rob Danter
Sent: Wednesday, May 4, 2022 12:28 PM
To: Rob Danter
Subject: FW: Update

From: Bob Claeys <bob.claeys@cnsfabrication.com>
Sent: May 2, 2022 5:59 AM
To: Scott Thornhill <scott.thornhill@rbc.com>
Cc: Rob Smith <Rob.Smith@mnp.ca>
Subject: Update

CAUTION: This email originated from outside of the MNP network. Be cautious of any embedded links and/or attachments.

MISE EN GARDE: Ce courriel ne provient pas du réseau de MNP. Méfiez-vous des liens ou pièces jointes qu'il pourrait contenir.

I didn't die!!! What a shitstorm in the hospital.

I'm releasing 5k to myself, 15k to my accountant to get the review done. Need it to close with Crestmark. Expecting something from Crestmark tomorrow they have everything they need Going to start cutting any staff that are not critical.

Face to face meet with Aluma Dayton Doka and Peri this week to get collections in quickly and buy a little time. Dropped all product being held Friday and said keep it for scrap Resourcing to a shop that Paul Van Eyke found for me in Trenton. It's being turned around by Paul . I am going with our engineer today to give line up. They will give me labour at \$35 per hour just to keep employees busy. The owner owes me a favour.

Today I will release 35k to Crawford to buy this steel. 30k to mss to get outsourcing released .

As a favour to me would you meet with Paul and Mark Will by zoom this week. I screwed I should have asked you to use Paul he's from KPMG downtown and the sharpest business minded insolvency guy I've ever met. Paul had a great on how to speed this up but that ship has sailed. A private out of court receivership.

That's it for now. I'm up early so call if you need to.

Sent from my iPhone

ROYAL BANK OF CANADA

-and-

CNS IRON FABRICATION LTD., *et al.*

Applicant

Respondents

Court File No. CV-22-00680668-00CL

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at
Toronto, Ontario

AFFIDAVIT OF SCOTT THORNHILL

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APPLICATION RECORD

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