



Form 39.08

2023

Supreme Court of Nova Scotia
In Bankruptcy and Insolvency

Hfx No.
5 2 5 6 2 2

In the Matter of the Receivership of Stone Brothers Plumbing & Heating Limited

Between:

Business Development Bank of Canada

Applicant

- and -

Stone Brothers Plumbing & Heating Limited

Respondent

Affidavit of Michelle Bursey

I, Michelle Bursey, of Truro, Nova Scotia, make oath and say as follows:

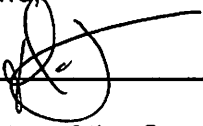
1. I am a Senior Account Manager, Special Accounts, with Business Development Bank of Canada ("BDC"), 733 Prince Street, Truro, Nova Scotia.
2. I have personal knowledge of the evidence sworn to in this affidavit except where otherwise stated to be based on information and belief.
3. I state, in this affidavit, the source of any information that is not based on my own personal knowledge and I state my belief of the source.
4. By letter of offer dated March 15, 2017, BDC advanced loans totaling \$412,500 (the "Loans") to 3298501 Nova Scotia Limited ("329") for the purpose of buying the shares of Stone Brothers Plumbing & Heating Limited (the "Company"). A copy of the letter of offer is attached as Exhibit "A".
5. The following security was provided for the Loans:
 - a) Security over all of 329's personal property per the general security agreement attached as Exhibit "B";
 - b) Guarantees from the Company, attached as Exhibit "C", secured by a first charge mortgage over the Company's real property at 609 Keltic Drive, Coxheath, Nova Scotia, PID 15221542 (the "Real Property"), attached as Exhibit "D" (the "Mortgage") and security over the Company's personal property per the general

security agreement attached as Exhibit "E" (the "GSA"); and

- c) Additional guarantees from Lorne Aucoin Renovations Limited, 3069746 Nova Scotia Limited, Quality Metal Works Limited, EZ Flow Plumbing & Heating Limited, Jeffrey McDonald and Marc Lamarche, attached as Exhibit "F".
6. In 2022, 329 defaulted in its payment obligations to BDC under the Loans.
7. In August 2022, Jeff McDonald told me that the Company was not operating and had not been operating for some time.
8. On September 23, 2022, BDC made demands upon 329, the Company and the other guarantors and issued Notices of Intention to Enforce Security under s. 244 of the *Bankruptcy and Insolvency Act* to 329 and the Company, attached as Exhibit "G".
9. No payments were received.
10. As at September 23, 2022, the amount owing from 329 to BDC was \$186,971.24 and the amount owing from the Company to BDC under its guarantee was the same. The amount owing as at July 21, 2023 is \$214,141.45 as set out in BDC's Payout Balances Details in Exhibit "H".
11. Around October 24, 2022, Jeff MacDonald told me that he received an offer of \$120,000 for the Real Property. BDC rejected the offer because it was too low.
12. In 2023, BDC engaged G. Ratchford & Associates Appraisers Inc. to complete an appraisal of the Real Property. They appraised the fair market value of the Real Property at \$155,000 per the report attached as Exhibit "I".
13. On April 19, 2023, BDC issued another Notice of Intention to Enforce Security under s. 244 of the *Bankruptcy and Insolvency Act* to the Company, attached as Exhibit "J".
14. On April 18, 2023, BDC privately appointed MNP Ltd. ("MNP") as receiver over the assets of the Company which it holds security, being the Mortgage and GSA.
15. MNP negotiated a private offer to sell the Real Property to 437300 Nova Scotia Limited for \$150,000 subject to Court approval. BDC supports this sale because it is very close to fair market value.
16. Further marketing efforts will result in additional costs for the fees of MNP and legal counsel which will reduce the net proceeds payable to BDC from the sale.
17. I have no reason to believe that further marketing efforts will result in any better offers given how close the current offer is to the appraised fair market value.

18. As at July 21, 2023, the amount owing from 329 to BDC, which is the same amount owing from the Company to BDC pursuant to its guarantee, is \$214,141.45, including principal, interest and fees including receiver and legal fees.

SWORN TO at Halifax, in the Province of)
Nova Scotia, this 21st day of July, 2023)
before me,)


_____)

A Barrister of the Supreme Court of)
Nova Scotia)

MARC L.J. DUNNING
A Barrister of the Supreme
Court of Nova Scotia

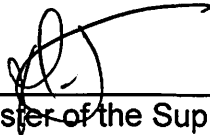

_____)

Michelle Bursey

Index to Exhibits

Document	Exhibit	Page
March 15, 2017 letter of offer	A	1
April 27, 2017 General Security Agreement - 329	B	14
April 27, 2017 Guarantees – Company	C	31
April 27, 2017 Mortgage over the Real Property – Company	D	39
April 27, 2017 General Security Agreement – Company	E	55
April 27, 2017 guarantees from Lorne Aucoin Renovations Limited, 3069746 Nova Scotia Limited, Quality Metal Works Limited, EZ Flow Plumbing & Heating Limited, Jeffrey McDonald and Marc Lamarche	F	72
September 23, 2022 demands and Notices of Intention to Enforce Security	G	96
Payout Balances Details as at July 21, 2023	H	126
February 1, 2023 appraisal of the Real Property	I	128
April 19, 2023 Notice of Intention to Enforce Security – Company	J	170

This is Exhibit "A" to the affidavit of
Michelle Bursey, sworn before me
this 21st day of July, 2023

A handwritten signature in black ink, appearing to read 'M.L.J. Dunning', is written over a horizontal line.

A Barrister of the Supreme Court
of Nova Scotia

MARC L.J. DUNNING
A Barrister of the Supreme
Court of Nova Scotia



Copy- Please Return to BDC

BDCID. 10007522724

Letter of Offer dated March 15, 2017

Stones Plumbing and Heating TBI
 609 Keltic Dr
 Sydney, NS
 B1L 1B6

Attention of: Mr. Jeffrey McDonald

Re: Loan(s) No. 112496-01 and 112496-02

Business Development Bank of Canada ("BDC") is pleased to offer you the following loan(s) (hereinafter individually or collectively referred to as the "Loan") according to the terms of this letter (the "Letter of Offer"):

Loan 112496-01 in the amount of \$217,000.00 ✓

Loan 112496-02 in the amount of \$195,500.00 ✓

The Letter of Offer is open for acceptance until March 25, 2017 (the "Acceptance Date") after which date it will become null and void.

LOAN PURPOSE AND FUNDING**Loan Purpose**

Purchase Shares of Stone Brothers Plumbing and Heating Limited	550,000.00
	550,000.00

Funding

BDC 112496-01	217,000.00 ✓
BDC 112496-02	195,500.00 ✓
Shareholders' Investment	50,000.00
Vendor's Note	87,500.00
	550,000.00

No change to the Loan Purpose or Funding may be made without BDC's prior written consent. The proceeds of the Loan may only be used for the Loan Purpose.

BORROWER

Stones Plumbing and Heating TBI (the "Borrower")

LETTER OF OFFER Stones Plumbing and Heating TBI - 112496, March 15, 2017

GUARANTOR

Stone Brothers Plumbing & Heating Limited ✓

EZ Flow Plumbing and Heating ✓

Lorne Aucoin Renovations Limited ✓

QUALITY METAL WORKS LIMITED

3069746 NOVA SCOTIA LIMITED

Jeffrey Garland McDonald

Marc Lionel Lamarche

(Hereinafter individually or collectively referred to as the "Guarantor"). The terms of each guarantee are set forth in the Security section below.

INTEREST RATE

Loan 112496-01

Floating Rate: BDC's Floating Base Rate plus a variance of 3.00% per year (the "Variance 01"). On the date hereof, BDC's Floating Base Rate is 4.70% per year.

Loan 112496-02

Floating Rate: BDC's Floating Base Rate plus a variance of 4.00% per year (the "Variance 02"). On the date hereof, BDC's Floating Base Rate is 4.70% per year.

BDC's Floating Base Rate is defined as the annual rate of interest announced from time to time as BDC's floating rate then in effect for determining floating interest rates for Canadian dollar loans. It shall vary automatically without notice to BDC clients upon each change in BDC's Floating Base Rate.

INTEREST CALCULATION

Calculated monthly on each Loan from the date of disbursement. Interest on arrears is calculated and compounded monthly at the rate applicable to each Loan.

LETTER OF OFFER Stones Plumbing and Heating TBI - 112496, March 15, 2017

REPAYMENT

All payments must be made by pre-authorized debit from your bank account and will be applied in the following order: 1) prepayment indemnity, 2) protective disbursement, 3) standby fees, 4) arrears of fees, interest and principal, 5) current balances of fees, interest and principal, 6) cancellation fees and 7) other amounts.

The balance of the Loan in principal and interest and all other amounts owing pursuant to the Loan shall become due and payable on the Maturity Date (the "Maturity Date").

Loan 112496-01

Regular

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
1	Once	944.00	31-12-2017	31-12-2017
239	Monthly	904.00	31-01-2018	30-11-2037

In addition, interest is payable monthly on the 31st day of the month (the "Payment Date 01") commencing on the next occurring Payment Date 01 following the first advance on the Loan.

Maturity Date: November 30, 2037 (the "Maturity Date 01").

Loan 112496-02

Regular

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
1	Once	3,750.00	31-12-2017	31-12-2017
59	Monthly	3,250.00	31-01-2018	30-11-2022

In addition, interest is payable monthly on the 31st day of the month (the "Payment Date 02") commencing on the next occurring Payment Date 02 following the first advance on the Loan.

Maturity Date: November 30, 2022 (the "Maturity Date 02").

LETTER OF OFFER Stones Plumbing and Heating TBI - 112496, March 15, 2017

PREPAYMENT

Annual Prepayment Privilege: Provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 month period, prepay up to 15% of the outstanding principal on any Loan without indemnity. The first prepayment can be made at any time more than one year after March 14, 2017. The prepayment privilege is not cumulative and each prepayment on an individual Loan must be at least 12 months subsequent to the last prepayment on that same loan. The prepayment privilege is not transferable from one individual Loan to another and is not applicable if any Loan is being repaid in full.

Partial Indemnity: At any time, if your loan is on a floating interest rate, three months further interest on the principal prepaid, or if the Loan is on a fixed interest rate, three months further interest together with an Interest Differential Charge. The Interest Differential Charge is a present value amount calculated by determining the difference between BDC's Base Rate then applicable to the Loan and the corresponding BDC Base Rate at the time of prepayment multiplied by the principal that would have been outstanding at each future Payment Date until the next Interest Adjustment Date or the maturity of the principal if earlier.

SECURITY

The Loan, interest on the Loan and all other amounts owing under the Loan shall be secured by the following (the "Security"):

Loan 112496-01

1. General Security Agreement from Stones Plumbing and Heating TBI providing a first security interest in all present and after-acquired personal property, except consumer goods, subject only to priority on inventory and accounts receivable to the lender extending line of credit.
2. Guarantee of Stone Brothers Plumbing and Heating Ltd for the full amount of the Loan supported by:
 - a first readvanceable mortgage in the principal amount of \$230,000 on land (approx. 0.38 acres) (legally described as PID #15221542) and buildings located at 609 Keltic Drive, Sydney, Nova Scotia. Property to be owned by Stone Brothers Plumbing and Heating Ltd. Building location survey or title insurance required.
 - a General Security Agreement providing a security interest in all present and after-acquired personal property, except consumer goods, subject only to:
 - Priority on inventory and accounts receivable to the lender extending line of credit;
 - Existing charges on or leases of equipment; and
 - Future charges on equipment to the party financing the acquisition or lease of the equipment.The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.
3. Joint and Several Guarantee of Lorne Aucoin Renovations Limited and 3069746 Nova Scotia Limited and Quality Metal Works Limited for the full amount of the Loan. The guarantors agree that they are directly responsible for the payment of the cancellation, standby and legal fees.

LETTER OF OFFER Stones Plumbing and Heating TBI - 112496, March 15, 2017

4. Guarantee of EZ Flow Plumbing and Heating Limited for the full amount of the Loan. The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.
5. Joint and Several Guarantee of Jeffrey Garland McDonald and Marc Lionel Lamarche for 50% of the Loan amount outstanding from time to time. The guarantors agree that they are directly responsible for the payment of the cancellation, standby and legal fees.
6. Postponement of a \$87,500 debt owed to the vendor for a period of at least five years. Interest may be paid at a rate no greater than the rate on the BDC financing.
7. Postponement of shareholders' loans totalling \$50,000 from Jeffrey Garland McDonald (\$25,000) and Marc Lionel Lamarche (\$25,000). Interest may not be paid.

Loan 112496-02

1. General Security Agreement from Stones Plumbing and Heating TBI providing a first security interest in all present and after-acquired personal property, except consumer goods, subject only to priority on inventory and accounts receivable to the lender extending line of credit.
General Security Agreement taken for the 01 loan will stand as security for the 02 loan.
2. Guarantee of Stone Brothers Plumbing and Heating Ltd for the full amount of the Loan supported by a General Security Agreement providing a security interest in all present and after-acquired personal property, except consumer goods, subject only to:
 - Priority on inventory and accounts receivable to the lender extending line of credit;
 - Existing charges on or leases of equipment; and
 - Future charges on equipment to the party financing the acquisition or lease of the equipment.General Security Agreement taken for the 01 loan will stand as security for the 02 loan.
The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.
3. Joint and Several Guarantee of Lorne Aucoin Renovations Limited and 3069746 Nova Scotia Limited and Quality Metal Works Limited for the full amount of the Loan. The guarantors agree that they are directly responsible for the payment of the cancellation, standby and legal fees.
4. Guarantee of EZ Flow Plumbing and Heating Limited for the full amount of the Loan. The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.
5. Joint and Several Guarantee of Jeffrey Garland McDonald and Marc Lionel Lamarche for the full amount of the Loan. The guarantors agree that they are directly responsible for the payment of the cancellation, standby and legal fees.
6. Postponement of shareholders' loans totalling \$50,000 from Jeffrey Garland McDonald (\$25,000) and Marc Lionel Lamarche (\$25,000). Interest may not be paid.

LETTER OF OFFER Stones Plumbing and Heating TBI - 112496, March 15, 2017

DISBURSEMENT

Funds shall be disbursed to solicitor or notary unless otherwise authorized and as follows:

Loan 112496-01

1. Upon satisfaction of the conditions precedent and confirmation of required security from BDC approved solicitor, BDC will disburse \$217,000 from multiple 01 and \$195,500 multiple 02 along with the shareholders' investment of \$50,000 and vendor take back mortgage of \$87,500 to close the programmed transaction provided that the solicitor has confirmed that the Purchase and Sale dated August 29, 2016 remains in effect with no material changes to the terms and conditions.

Loan 112496-02

1. Upon satisfaction of the conditions precedent and confirmation of required security from BDC approved solicitor, BDC will disburse \$217,000 from multiple 01 and \$195,500 multiple 02 along with the shareholders' investment of \$50,000 and vendor take back mortgage of \$87,500 to close the programmed transaction provided that the solicitor has confirmed that the Purchase and Sale dated August 29, 2016 remains in effect with no material changes to the terms and conditions.

CONDITIONS PRECEDENT

Any obligation to make any advance under the Letter of Offer is subject to the following conditions being fulfilled to the satisfaction of BDC:

1. Security in form and substance satisfactory to BDC.
2. Provision of documents evidencing expenditures under the Loan Purpose, if applicable.
3. No material adverse change.
4. Satisfaction of all applicable disbursement conditions contained in the Disbursement section of this Letter of Offer.
5. No Default shall have occurred.

LETTER OF OFFER Stones Plumbing and Heating TBI - 112496, March 15, 2017

Loan Specific Conditions:

Loan 112496-01

1. The Borrower will have incorporated a company which will have provided its written adoption, ratification and assumption of the Loan and the obligations contained in this Letter of Offer. The undersigned principals, Jeffrey Garland MacDonald and Marc Lionel Lamarche, agree that if the principals do not incorporate a company, they are responsible for the payment of the Cancellation and Standby Fees as well as the Legal fees and Expenses referred to in this Letter of Offer. The Borrower agrees that the shareholders of the corporation shall be only those persons who have been represented to BDC as the proposed shareholders.
2. Provide confirmation that the vendors', Joseph Stone and Ambrose Stone, will provide a \$87,500 vendor take-back mortgage postponed for at least five years as part of this transaction.

Loan 112496-02

1. The Borrower will have incorporated a company which will have provided its written adoption, ratification and assumption of the Loan and the obligations contained in this Letter of Offer. The undersigned principals, Jeffrey Garland MacDonald and Marc Lionel Lamarche, agree that if the principals do not incorporate a company, they are responsible for the payment of the Cancellation and Standby Fees as well as the Legal fees and Expenses referred to in this Letter of Offer. The Borrower agrees that the shareholders of the corporation shall be only those persons who have been represented to BDC as the proposed shareholders.
2. Provide confirmation that the vendors', Joseph Stone and Ambrose Stone, will provide a \$87,500 vendor take-back mortgage postponed for at least five years as part of this transaction.

UNDERLYING CONDITIONS

The following conditions shall apply throughout the term of the Loan:

Loan Specific Conditions:

Loan 112496-01

1. Upon request, you agree to provide BDC with written proof of your payment of the property, school or similar taxes which are assessed against the mortgaged land and improvements (the "taxes"), within thirty (30) days following the due date of each required instalment.
Should you default in paying any such instalment of the taxes when due, you will pay BDC monthly payments as calculated by BDC to establish a tax reserve account. These payments will be collected by the pre-authorized debit plan the funds in the account will earn interest in accordance with BDC's policy then in effect. You authorize BDC to pay the relevant taxing authorities. Should there be insufficient funds to satisfy the taxes owing, you will pay the shortfall. BDC will not be responsible for funding the shortfall or any arrears, including interest and other charges. You will instruct the taxing authority to forward a copy of the tax notice to BDC, or you will deliver a copy to BDC upon receipt. Funds in this reserve account will be held by BDC as Security for the Loan. After Default, BDC will not have any ongoing

LETTER OF OFFER Stones Plumbing and Heating TBI - 112496, March 15, 2017

responsibility to pay the taxing authorities and any funds in the reserve account may be applied towards any amounts owing to BDC.

2. Acceptance and disbursement of the 01 loan is conditional on the acceptance and disbursement of the 02 loan.

Loan 112496-02

1. Acceptance and disbursement of the 02 loan is conditional on the acceptance and disbursement of the 01 loan.

COVENANTS**The Borrower:**

- Confirms that the information in the Application for Financing and all information provided to BDC by the Borrower or on the Borrower's behalf is true.
- Agrees to comply with laws and regulations, including but not limited to environmental laws, applicable to the Borrower and its business.
- Authorizes BDC to obtain relevant information from any party for the purpose of evaluating the financial condition of the Borrower or its business.
- Agrees to obtain BDC's prior written consent a) to change the nature of the business; b) to amalgamate, merge, acquire or otherwise restructure the business or create an affiliated company; c) to sell or transfer shares or any interest in a partnership or limited partnership or trust or change the effective voting control (as determined by BDC).
- Agrees to refrain from conducting, or permitting to be conducted, any activity which BDC has described as an "Ineligible Activity" in the Application for Financing and acknowledges that this covenant applies to any entity that controls, is controlled by, or is under common control with, the Borrower.
- Agrees to keep secured assets insured against physical damage and other losses on an "All-Risks" Basis including Equipment Breakdown (or Boiler & Machinery) where applicable, for their full replacement value and to name BDC as loss payee as its interests may appear and to ensure that a standard mortgage clause be included in all policies insuring real property and to maintain all policies of insurance in effect for the duration of the Loan.

REPORTING OBLIGATIONS

The Borrower (and if applicable the corporate Guarantor) shall provide to BDC within 90 days of its (their) fiscal year end the following financial statements:

LETTER OF OFFER Stones Plumbing and Heating TBI - 112496, March 15, 2017

Company	Type	Frequency	Period Ending
Stones Plumbing and Heating TBI	Notice to Reader ✓	Annual	December
Stone Brothers Plumbing & Heating Limited	Review Engagement ✓	Annual	March
EZ Flow Plumbing and Heating	Review Engagement ✓	Annual	December
Lorne Aucoin Renovations Limited	Review Engagement	Annual	December
QUALITY METAL WORKS LIMITED	Notice to Reader	Annual	December
3069746 NOVA SCOTIA LIMITED	Notice to Reader	Annual	December

and such other financial and operating statements and reports as and when BDC may reasonably require.

DEFAULT

- Any representation to BDC is false.
- Failure to make any payment or to comply with the terms of this Letter of Offer or any Security or any other agreement between the Borrower and/or the Guarantor and BDC in respect of this loan or any other loan.
- Insolvency or bankruptcy or failure to perform obligations to other creditors.
- Cessation of business.

The occurrence of any of the above events by the Borrower constitutes a Default at which time BDC may demand immediate payment of the Loan and enforce the Security.

FEES

PAYABLE BY BORROWER AND GUARANTOR:

Cancellation: If the Borrower does not draw on the Loan by the Lapsing Date indicated below (the "Lapsing Date"), the Loan shall lapse and be cancelled and the Borrower and the Guarantor shall pay BDC the applicable cancellation fee indicated below. If the Loan is partially disbursed on the Lapsing Date, the Borrower and the Guarantor shall pay BDC a percentage of the cancellation fee in proportion to the percentage of the Loan that is cancelled. No cancellation fee will be payable if 50% or more of the Loan has been disbursed.

Loan 112496-01

Lapsing Date: March 14, 2018 (the "Lapsing Date 01").
Cancellation Fee: \$6,510.00 (the "Cancellation Fee 01").

LETTER OF OFFER Stones Plumbing and Heating TBI - 112496, March 15, 2017

Loan 112496-02

Lapsing Date: March 14, 2018 (the "Lapsing Date 02").
Cancellation Fee: \$5,865.00 (the "Cancellation Fee 02").

Standby: Commencing on the date indicated below, and payable monthly, a fee calculated at a rate indicated below on the portion of the Loan which has not been advanced or cancelled. This date is subject to change if you change your interest rate plan.

Loan 112496-01

Rate: 1.50% per annum
Date: September 14, 2017

Loan 112496-02

Rate: 1.50% per annum
Date: September 14, 2017

Legal: Fees and expenses, payable on demand, incurred by BDC in connection with the placing of the Loan and the Security including the enforcement of the Loan and the Security, whether or not any documentation is entered into or any advances made.

PAYABLE BY BORROWER:

Loan Management: Payable annually on the Payment Date immediately following each anniversary of the first disbursement date.

Loan 112496-01

\$350.00 per year (the "Management Fee 01")

Loan 112496-02

\$350.00 per year (the "Management Fee 02")

Transaction and Administration: The Standard Loan Amendment, Security Processing and administration fees for the handling of the Loan.

SUCCESSORS AND ASSIGNS

The Letter of Offer shall be binding on the Borrower and its respective successors and assigns. BDC may assign, sell or grant participation in (a "transfer") all or any part of its rights and obligations under the Letter of Offer to any third party, and the Borrower agrees to sign any documents and take any actions that BDC may reasonably require in connection with any such transfer.

LETTER OF OFFER Stones Plumbing and Heating TBI - 112496, March 15, 2017

ANTI-MONEY LAUNDERING / KNOW YOUR CLIENT

The Borrower and each Guarantor acknowledge that, pursuant to prudent banking practices in respect of "knowing your client", BDC, in compliance with its internal policies, is required to verify and record information regarding the Borrower and each Guarantor, their directors, authorized signing officers, shareholders and other Persons in control of the Borrower and each Guarantor. The Borrower and each Guarantor agree to promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by BDC in order to comply with internal policies and applicable laws on anti-money laundering and anti-terrorist financing.

ACCEPTANCE

By original signature, fax, or any other electronic means acceptable to BDC.


LANGUAGE CLAUSE

The parties have expressly requested that this Letter of Offer and all related documents be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente lettre d'offre ainsi que tous les documents qui s'y rattachent soient rédigés en langue anglaise.


GOVERNING LAW

This Letter of Offer shall be governed by and construed in accordance with the laws of the jurisdiction in which the Business Centre of BDC is located as shown on the first page of this Letter of Offer.

Should you have any questions regarding the Letter of Offer, do not hesitate to communicate with one of the undersigned.



Jonathan Macneil
Senior Account Manager, Generalist
Phone: (902) 564-7706
Fax: (902) 564-3975
jonathan.macneil@bdc.ca




Andy Cheema
Client Relationship Officer
Phone: (902) 442-5391
Fax: (902) 564-3975
andy.cheema@bdc.ca

LETTER OF OFFER Stones Plumbing and Heating TBI - 112486, March 15, 2017

ACCEPTANCE

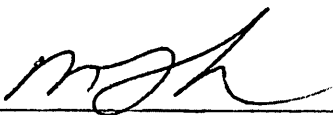
We accept the terms and conditions this 16 day of March 2017.

Stones Plumbing and Heating TBI



_____, Authorized Signing Officer
Name: Marc Lacombe
(Please print name of signing party)

GUARANTOR(S)


Stone Brothers Plumbing & Heating Limited


_____, Authorized Signing Officer
Name: Marc Lacombe
(Please print name of signing party)

EZ Flow Plumbing and Heating


_____, Authorized Signing Officer
Name: Marc Lacombe
(Please print name of signing party)

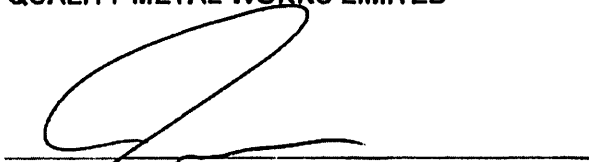
Lorne Aucoin Renovations Limited


_____, Authorized Signing Officer
Name: Jeff McQuaid

LETTER OF OFFER Stones Plumbing and Heating TBI - 112496, March 15, 2017

(Please print name of signing party)

QUALITY METAL WORKS LIMITED

 _____, Authorized Signing Officer

Name: Jeff McDonald
(Please print name of signing party)

3069746 NOVA SCOTIA LIMITED

 _____, Authorized Signing Officer

Name: Jeff McDonald
(Please print name of signing party)



Jeffrey Garland McDonald



Marc Lionel Lamarche

This is Exhibit "B" to the affidavit of
Michelle Bursey, sworn before me
this 21st day of July, 2023



A Barrister of the Supreme Court
of Nova Scotia

MARC L.J. DUNNING
A Barrister of the Supreme
Court of Nova Scotia



GENERAL SECURITY AGREEMENT

Loan #112496-01

THIS AGREEMENT dated the 27th day of April, 2017.

BETWEEN:

3298501 NOVA SCOTIA LIMITED, body corporate pursuant to the laws of the Province of Nova Scotia

(the "Debtor")

AND:

BUSINESS DEVELOPMENT BANK OF CANADA, with a business centre at 275 Charlotte Street,
Sydney, NS B1P 1C6

("BDC")

1. SECURITY INTEREST

(You, as the Debtor, will grant to BDC a charge, referred to as a security interest, over all personal property now held or in the future held or acquired by you. You will also grant a charge, referred to as a floating charge, over your complete undertaking. These charges are the security BDC will hold in consideration of lending you funds or providing the credit facility to you.)

1.1 For consideration the Debtor hereby:

(a) mortgages and charges as a fixed and specific charge, and assigns and transfers to BDC, and grants to BDC a general and continuing security interest in all of the Debtor's present and after acquired personal property including, without limitation:

- (i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
- (ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");
- (iii) all debts, accounts, claims, demands, moneys and choses in action which now are, or which

- (iii) all debts, accounts, claims, demands, moneys and choses in action which now are, or which may at any time be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, moneys and choses in action (all of which is collectively called the "Accounts");
 - (iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Debtor that is not Equipment, Inventory or Accounts;
 - (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Debtor (all of which is collectively called the "Intellectual Property");
 - (vi) all the Debtor's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Debtor, and all other intangible property of the Debtor, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
 - (vi) the personal property described in Schedule "A" attached to this Agreement and all additions thereto and replacements thereof; and
 - (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to BDC a general and continuing security interest and charges by way of a floating charge:
- (i) all of the undertaking and assets of the Debtor, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of BDC created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

1.3 The schedules, including definitions, form part of this Security Agreement.

2. EXCEPTIONS

(With few exceptions, all of your personal property is subject to the security interests and charges described in Clause 1.1. Only the last day of any lease term and possibly your consumer goods are excepted. Corporations do not hold consumer goods.)

2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Debtor shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as BDC shall direct.

2.2 All the Debtor's consumer goods are excepted out of the Security Interests.

3. ATTACHMENT

(Value or consideration has flowed between you and BDC and the Security Interests in your personal property are complete once you sign this Security Agreement.)

The Debtor agrees that the Security Interests attach upon the signing of this Security Agreement (or in the case of after acquired property, upon the date of acquisition), that value has been given, and that the Debtor has (or

in the case of after acquired property, will have upon the date of acquisition) rights in the Collateral and the Debtor confirms that there has been no agreement between the Debtor and BDC to postpone the time for attachment of the Security Interests and that it is the Debtor's understanding that BDC intends the Security Interests to attach at the same time.

4. PURCHASE MONEY SECURITY INTEREST

(To the extent that BDC helps you acquire an interest in any personal property, you grant a special security interest to BDC over that personal property. The special security interest is known as a "Purchase Money Security Interest".)

The Debtor acknowledges and agrees that the Security Interests constitute and are intended to create Purchase Money Security Interests in Collateral to the extent that moneys advanced by BDC, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

5. OBLIGATIONS SECURED

(The Security Interests and charges you have granted to BDC secure all indebtedness and all obligations to BDC.)

This Security Agreement is in addition to and not in substitution for any other security interest or charge now or in the future held by BDC from the Debtor or from any other person and shall be general and continuing security for the payment and performance of all indebtedness, liabilities and obligations of the Debtor to BDC (including interest thereon), whether incurred prior to, at the time of or after the signing of this Security Agreement including extensions and renewals, and all other liabilities of the Debtor to BDC, present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, including all advances on current or running account, future advances and re-advances of any loans or credit by BDC and the Debtor's obligation and liability under any contract or guarantee now or in the future in existence whereby the Debtor guarantees payment of the debts, liabilities and/or obligations of a third party to BDC, and for the performance of all obligations of the Debtor to BDC, whether or not contained in this Security Agreement (all of which indebtedness, liabilities and obligations are collectively called the "Obligations").

6. REPRESENTATIONS AND WARRANTIES

(You state that you are able to legally grant this Security Agreement to BDC, it will be binding and the Collateral is not subject to any encumbrances that have not been approved by BDC. You own the Collateral and nothing prevents you from granting the Security Interests and charges in favour of BDC. BDC will rely on all of the following representations and warranties.)

6.1 The Debtor represents and warrants to BDC that:

- (a) if a corporation, it is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constituting documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound;
- (b) if it is a corporation, its name as set forth on page 1 of this Security Agreement is its full, true and correct name as stated in its constituting documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Debtor has provided a written memorandum to BDC accurately setting forth all prior names under which the Debtor has operated;
- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business

conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;

- (d) if the Debtor is an individual, that individual's full name and address provided to BDC are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to BDC or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to BDC is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Debtor, in which a decision adverse to the Debtor would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Debtor; and the Debtor agrees to promptly notify BDC of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to BDC in writing and which, if known to BDC, might reasonably be expected to deter BDC from extending credit or advancing funds to the Debtor;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by BDC, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by BDC;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Debtor has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to BDC;
- (i) the Collateral is and/or will be located at the place(s) described in Schedule "A" and will not be removed from such location(s) without the prior written consent of BDC;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor, if the Debtor is a corporation, or, if the Debtor is a partnership, of the partners of the Debtor, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations valid and there is no restriction contained in the constating documents of the Debtor or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Debtor to borrow money or give security; and
- (k) the Debtor's place(s) of business and chief executive office have been correctly provided to BDC

7. COVENANTS OF THE DEBTOR

(The Security Interests and the Collateral must be protected while the Security Agreement remains in effect. These covenants are your promises to BDC describing how BDC's Security Interests will be attended to. You will also covenant to maintain accurate books and records and allow BDC's inspection. Your promises are found in the Security Agreement and Schedules.)

7.1 The Debtor covenants with BDC that while this Security Agreement remains in effect the Debtor will:

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;
- (b) defend the title to the Collateral for BDC's benefit, against the claims and demands of all persons;
- (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and effective;
- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
- (e) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (f) forthwith pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish to BDC such security as BDC may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by BDC arising out of any term of the commitment letter between BDC and the Debtor including, without limitation; inspection, administration and returned cheque handling fees;
- (g) forthwith pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by BDC in connection with granting loans or credit to the Debtor, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Debtor's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty BDC becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by BDC as security for the Obligations, protect BDC from liability in connection with the Security Interests or assist BDC in its loan and credit granting or realization of the Security Interest, including any actions under Bankruptcy and

Insolvency Act (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to Bankruptcy and Insolvency Act (Canada);

- (ix) any sums BDC pays as fines, or as clean up costs because of contamination of or from your assets. Further, you will indemnify BDC and its employees and agents from any liability or costs incurred including legal defense costs. Your obligation under this paragraph continues even after the Obligations are repaid and this agreement is terminated.
- (h) at BDC's request, execute and deliver further documents and instruments and do all acts as BDC in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify BDC promptly of:
 - (i) any change in the information contained in this Security Agreement relating to the Debtor, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
 - (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Debtor respecting any Accounts;
 - (v) any claims against the Debtor including claims in respect of the Intellectual Property or of any actions taken by the Debtor to defend the registration of or the validity of or any infringement of the Intellectual Property;
 - (vi) the return to or repossession by the Debtor of Collateral that was disposed of by the Debtor; and
 - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
- (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (l) permit BDC and its representatives, at all reasonable times, access to the Collateral including all of the Debtor's property, assets and undertakings and to all its books of account and records for the purpose of inspection and the taking of extracts and copies, whether at the Debtor's premises or otherwise, and the Debtor will render all assistance necessary;
- (m) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;
 - (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;

- (n) deliver to BDC from time to time promptly upon request:
- (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow BDC to inspect, audit or copy them;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as BDC may reasonably require;
- (o) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;
- (p) with respect to copyright forming part of the Intellectual Property, provide to BDC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
- (q) receive and hold in trust on behalf of and for the benefit of BDC all proceeds from the sale or other disposition of any Collateral;
- (r) consent to BDC contacting and making enquiries of the Debtor's lessors, as well as municipal or other government officials or assessors; and
- (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement, including Schedule B, if any.

7.2 Any amounts required to be paid to BDC by the Debtor under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.

7.3 This Security Agreement shall remain in effect until it has been terminated by BDC by notice of termination to the Debtor and all registrations relating to the Security Agreement have been discharged.

8. INSURANCE

(It is your obligation to thoroughly insure the Collateral in order to protect your interests and those of BDC. You will follow the specific requirements of the insurance coverage described in this Clause.)

8.1 The Debtor covenants that while this Security Agreement is in effect the Debtor shall:

- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as BDC may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
- (b) cause the insurance policy or policies required by this Security Agreement to be assigned to BDC, including a standard mortgage clause or a mortgage endorsement, as BDC may require;
- (c) pay all premiums respecting such insurance, and deliver all policies to BDC, if it so requires.

8.2 If proceeds of any required insurance becomes payable, BDC may, in its absolute discretion, apply these proceeds to the Obligations as BDC sees fit or release any insurance proceeds to the Debtor to repair, replace or

rebuild, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.

8.3 The Debtor will forthwith, on the happening of loss or damage to the Collateral, notify BDC and furnish to BDC at the Debtor's expense any necessary proof and do any necessary act to enable BDC to obtain payment of the insurance proceeds, but nothing shall limit BDC's right to submit to the insurer a proof of loss on its own behalf.

8.4 The Debtor hereby authorizes and directs the insurer under any required policy of insurance to include the name of BDC as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by BDC to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.

8.5 If the Debtor fails to maintain insurance as required, BDC may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as BDC may wish to maintain.

9. OTHER PROHIBITIONS

(You agree to not encumber your property so as to interfere with the security interests or charges granted to BDC and you will not dispose of any of the Collateral except inventory disposed of in the ordinary course of your business.)

Without the prior written consent of BDC the Debtor will not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, undertakings including without limitation the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests created by this Security Agreement;
- (b) grant, sell, or otherwise assign any of its chattel paper or any of the Collateral except only Inventory that is disposed of in accordance with Clause 10.2; or
- (c) where the Debtor is a corporation
 - (i) repay or reduce any shareholders loans or other debts due to its shareholders; or
 - (ii) change its name, merge with or amalgamate with any other entity;

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

(You will preserve and protect all of the Collateral and not dispose of it without the consent of BDC. Any sales or other disposition will result in you holding the proceeds in trust for BDC. Your responsibilities towards the Collateral and any trust proceeds are important to BDC.)

10.1 Except as provided by this Security Agreement, without BDC's prior written consent the Debtor will not:

- (a) sell, lease, license or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

10.2 Provided that the Debtor is not in default under this Security Agreement, the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business.

10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Debtor

holding the proceeds in trust for and on behalf of BDC and subject to BDC's exclusive direction and control. Nothing restricts BDC's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with BDC's prior written consent.

11. PERFORMANCE OF OBLIGATIONS

(If you do not strictly do all those things that you have agreed to do in this Security Agreement, BDC may perform those obligations but you will be required to pay for them.)

If the Debtor fails to perform its covenants and agreements under this Security Agreement, BDC may, but shall not be obliged to, perform any or all of such covenants and agreements without prejudice to any other rights and remedies of BDC, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by BDC shall be immediately payable by the Debtor to BDC with interest at the highest rate borne by any of the Obligations and shall be secured by the Security Interests, until all such amounts have been paid.

12. ACCOUNTS

(Any dealing with the Collateral that results in an account being created, or proceeds arising, is of particular importance to BDC. The account, or proceeds, acts in substitution for the Collateral that has been sold, usually inventory. You will protect the account or proceeds in favour of BDC.)

Notwithstanding any other provision of this Security Agreement, BDC may collect, realize, sell or otherwise deal with all or a portion of the Accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. All forms of payment received by the Debtor in payment of any Account, or as proceeds, shall be subject to the Security Interests and shall be received and held by the Debtor in trust for BDC.

13. APPROPRIATION OF PAYMENTS

(BDC has the right to determine how funds it receives will be applied in relation to your loan facility.)

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as BDC sees fit, and BDC may at any time change any appropriation as BDC sees fit.

14. DEFAULT

(You must comply with the payment and other obligations that you have made in favour of BDC. You must also strictly satisfy the covenants and agreements that you have made in this Security Agreement. Failure to do so will be considered a default and BDC will consider its legal remedies and possibly pursue them. This Clause defines the defaults and outlines your obligations.)

14.1 Unless waived by BDC, the Debtor shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Debtor and BDC in any of the following events:

- (a) the Debtor defaults, or threatens to default, in payments when due of any of the Obligations; or
- (b) the Debtor is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with BDC, or any representation or warranty of the Debtor to BDC is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
- (c) the Debtor or a guarantor of the Debtor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under Bankruptcy and Insolvency Act (Canada), the Companies Creditors' Arrangement Act (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or

- (e) an order is made or a resolution is passed for the winding up of the Debtor or a guarantor of the Debtor; or
- (f) the Debtor or a guarantor of the Debtor ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (g) distress or execution is levied or issued against all or any part of the Collateral; or
- (h) if the Debtor is a corporation and any member or shareholder:
 - (i) commences an action against the Debtor; or
 - (ii) gives a notice of dissent to the Debtor in accordance with the provisions of any governing legislation; or
- (l) if the Debtor is a corporation and its voting control changes without BDC's prior written consent; or
- (j) the Debtor uses any monies advanced to it by BDC for any purpose other than as agreed upon by BDC; or
- (k) without BDC's prior written consent, the Debtor creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or
- (l) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or
- (m) the Debtor enters into an amalgamation, a merger or other similar arrangement with any other person without BDC's prior written consent or, if the Debtor is a corporation, it is continued or registered in a different jurisdiction without BDC's prior written consent; or
- (n) BDC in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
- (o) the lessor under any lease to the Debtor of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Debtor; or
- (p) the Debtor causes or allows hazardous materials to be brought upon any lands or premises occupied by the Debtor or to be incorporated into any of its assets, or the Debtor causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) any permit, license, certification, quota or order granted to or held by the Debtor is cancelled, revoked or reduced, as the case may be, or any order against the Debtor is enforced, preventing the business of the Debtor from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Debtor's business; or
- (r) if an individual, the Debtor dies or is declared incompetent by a court of competent jurisdiction.

15. ENFORCEMENT

(If a default occurs, BDC has numerous remedies and legal rights, including enforcement of the Security Agreement according to this Clause. You also have rights, provided by the *Personal Property Security Act* and the common law in your jurisdiction.)

15.1 Upon any default under this Security Agreement BDC may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests BDC may take any action permitted by law or in equity as it may deem expedient and in particular, without limitation, BDC may do any of the following:

- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the "Receiver") of all or any part of the Collateral, with or without bond as BDC may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any of the Debtor's premises at any time and take possession of the Collateral with power to exclude the Debtor, its agents and its servants, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as BDC deems advisable;
- (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to BDC may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (e) register assignments of the Intellectual Property, and use sell, assign, license or sub-license any of the Intellectual Property; and
- (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.

15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Debtor and not of BDC and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of BDC under this Security Agreement, and in addition shall have power to:

- (a) carry on the Debtor's business and for such purpose from time to time to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
- (b) make an assignment for the benefit of the Debtor's creditors or a proposal on behalf of the Debtor under *Bankruptcy and Insolvency Act* (Canada); and
- (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
- (d) make any arrangement or compromise that the Receiver deems expedient.

15.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as BDC, in its absolute discretion and to the full extent permitted by law, may direct as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and its own client basis) incurred by BDC respecting or incidental to:

- (i) the exercise by BDC of the rights and powers granted to it by this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to BDC of all principal and other monies (except interest) due in respect of the Obligations;
 - (c) in or toward payment to BDC of all interest remaining unpaid respecting the Obligations; and
 - (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING BDC

(You have granted this Security Agreement to BDC in consideration by BDC advancing funds or providing credit or a credit facility to you. BDC will not be responsible for debts or liabilities that may arise except to the extent that it agrees to be responsible or liable in this Security Agreement. If enforcement becomes necessary, BDC will act in good faith and in a commercially reasonable manner.)

16.1 To the full extent permitted by law, BDC shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when BDC shall manage the Collateral upon entry or seizure, nor shall BDC be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. BDC shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall BDC, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall BDC be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Debtor waives any provision of law permitted to be waived by it which imposes greater obligations upon BDC than described above.

16.2 Neither BDC nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of BDC, the Debtor or any other party respecting the Collateral. BDC shall also not be liable for any misconduct, negligence, misfeasance by BDC, the Receiver or any employee or agent of BDC or the Receiver, or for the exercise of the rights and remedies conferred upon BDC or the Receiver by this Security Agreement.

16.3 BDC or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Debtor, co-obligants, guarantors and others and with the Collateral and other securities as BDC may see fit without liability to BDC and without prejudice to BDC's rights respecting the Obligations or BDC's right to hold and realize the Collateral.

16.4 BDC in its sole discretion may realize upon any other security provided by the Debtor in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.

16.5 Any right of BDC and any obligation of the Debtor arising under any other agreements between BDC and the Debtor shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security Agreement. The obligation, if any, of the Debtor to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of BDC's commitment letter with the Debtor shall survive the signing and registration of this Security Agreement and BDC's advancement of any money to the Debtor and any legal fees, commitment fees, standby fees or administration fees owing by the Debtor shall be secured by the Collateral.

16.6 In the event that BDC registers a notice of assignment of Intellectual Property the Debtor shall be responsible for and shall indemnify BDC against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.

16.7 Notwithstanding any taking of possession of the Collateral, or any other action which BDC or the Receiver may take, the Debtor now covenants and agrees with BDC that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to BDC at the time of such disposition, the Debtor shall immediately pay to BDC an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Debtor agrees that BDC may bring action against the Debtor for payment of the deficiency, notwithstanding any defects or irregularities of BDC or the Receiver in enforcing its rights under this Security Agreement.

17. APPOINTMENT OF ATTORNEY

(You appoint BDC your attorney for specific matters.)

The Debtor hereby irrevocably appoints BDC or the Receiver, as the case may be, with full power of substitution, as the attorney of the Debtor for and in the name of the Debtor to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do everything necessary or incidental to the exercise of all or any of the powers conferred on BDC, or the Receiver, as the case may be, pursuant to this Security Agreement. This grant and authority shall continue and survive any mental infirmity or legal incapacity of the Debtor subsequent to the execution hereof.

18. CONSOLIDATION

(Should you wish to redeem the Security Interest, BDC may require you to also pay other obligations to it before discharging its Security Interests.)

For the purposes of the laws of all jurisdictions in Canada, the doctrine of consolidation applies to this Security Agreement.

19. NO OBLIGATION TO ADVANCE

(BDC determines, in the end, whether any advances or further advances under the loan facility will be made.)

Neither the preparation and execution of this Security Agreement nor the perfection of the Security Interests or the advance of any monies by BDC shall bind BDC to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of the Debtor to BDC.

20. WAIVER

(Indulgences granted by BDC should not be taken for granted.)

BDC may permit the Debtor to remedy any default without waiving the default so remedied. BDC may from time to time and at any time partially or completely waive any right, benefit or default under this Security Agreement but such waiver shall not be a bar to or a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default under this Security Agreement. No waiver shall be effective unless it is in writing and signed by BDC. No delay or omission on the part of BDC in exercising any right shall operate as a waiver of such right or any other right.

21. NOTICE

(This Clause describes how the various notices referred to in this Security Agreement may be given.)

Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided in this Security Agreement or at such other address as may be given in writing by one party to the other, and any notice if mailed shall be deemed to have been given at the expiration of three business days after mailing and if delivered, on delivery.

22. EXTENSIONS

(Your duties and responsibilities to BDC remain in place regardless of any concerns you may have about the loan facility or BDC's actions.)

BDC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Debtor, the Debtor's account debtors, sureties and others and with the Collateral and other security interests as BDC may see fit without prejudice to the Debtor's liability or BDC's right to hold and realize on the Security Interests.

23. NO MERGER

(Except as agreed upon in the Security Agreement or another contract specifically discussing this point, this Security Agreement is an independent obligation on your part.)

This Security Agreement shall not create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may be held by BDC now or in the future from the Debtor or from any other person. The taking of a judgment respecting any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

24. RIGHTS CUMULATIVE

(This Agreement describes some rights and remedies of BDC. BDC also is entitled to rely on all other rights and remedies available to it in law and in any other agreements it has entered into with you.)

BDC's rights and remedies set out in this Security Agreement, and in any other security agreement held by BDC from the Debtor or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained in this Security Agreement or any other security agreements is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and BDC that may be in effect from time to time.

25. ASSIGNMENT

(Should BDC assign or transfer or otherwise deal with this Security Agreement on its own behalf, you agree that the Security Agreement shall remain binding and effective upon you.)

BDC may, without notice to the Debtor, at any time assign or transfer, or grant a security interest in, all or any of the Obligations, this Security Agreement and the Security Interests. The Debtor agrees that the assignee, transferee or secured party, as the case may be, shall have all of BDC's rights and remedies under this Security Agreement and the Debtor will not assert as a defence, counterclaim, right of set-off or otherwise any claim which it now has or may acquire in the future against BDC in respect of any claim made or any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the assigned Obligations to the assignee, transferee or secured party, as the case may be, as the said Obligations become due.

26. SATISFACTION AND DISCHARGE

(Until this Security Agreement is terminated and any registrations relating to it are discharged, the Security Agreement will remain effective even though the indebtedness to BDC may have been paid.)

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to BDC shall not be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Debtor and, subject to applicable law, payment to BDC of an administrative fee to be fixed by BDC and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by BDC in connection with the Obligations and such release and discharge. The Debtor shall, subject to applicable law, pay an administrative fee, to be fixed by BDC, for the preparation or execution of any full or partial release or discharge by BDC of any security it holds, of the Debtor, or of any guarantor or covenantor with respect to any Obligations.

27. ENVIRONMENT

The Debtor represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Debtor's business or assets including without limitation the Collateral;
- (f) it will advise BDC immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide BDC with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Debtor and it consents to BDC contacting and making enquiries of environmental officials or assessors;
- (h) it will from time to time when requested by BDC provide to BDC evidence of its full compliance with the Debtor's obligations in this Clause 27.

28. ENUREMENT

This Security Agreement shall enure to the benefit of BDC and its successors and assigns, and shall be binding upon the Debtors and its heirs, executors, administrators, successors and any assigns permitted by BDC, as the case may be.

29. INTERPRETATION

29.1 In this Security Agreement:

- (a) "Collateral" has the meaning set out in Clause 1 and any reference to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to the Collateral in whole or in part;
- (b) "the Act" means the *Personal Property Security Act* of the province in which the business centre of BDC is located, as described on page 1 of this Security Agreement, and all regulations under the Act, as amended from time to time.

29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.

29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.

29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

29.5 This Security Agreement shall be governed by the laws of the province referred to in subclause 29.1(b). For

enforcement purposes, the Debtor hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which BDC enforces its rights and remedies hereunder.

30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) if the Act so permits, waives all rights to receive from BDC a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Security Agreement.

31. TIME

Time shall in all respects be of the essence.

32. INDEPENDENT ADVICE

The Debtor acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

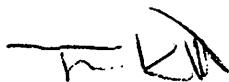
33. PARENTHETICAL COMMENTS

The Debtor acknowledges and agrees that the comments in parentheses are intended to provide a brief but not thorough indication of the intent of the legal provisions that follow in each subsequent clause, and do not form part of this Security Agreement.

34. THE COMMITMENT LETTER

BDC has extended an offer of financing or a commitment letter to the Debtor relating to the loan facilities secured by this Security Agreement. The Debtor acknowledges and agrees that in the event of any discrepancy between any term of this Security Agreement and any term of the commitment letter, the terms of the commitment letter shall apply and take precedence over the terms of this Security Agreement.

IN WITNESS WHEREOF the Debtor has hereunto set his hand and seal or has affixed its corporate seal duly attested by the hand(s) of its proper officer(s) in that behalf, on the day and year first above written.



(Witness)

3298501 NOVA SCOTIA LIMITED



Per

SCHEDULE "A"**Subclause 1.1(a):**

1. the following specific items, even though they may be included within the descriptions of Collateral (insert description by item or kind):

2. the following serial numbered goods:

Serial No. (re motor vehicles & trallers, etc.)


Year

Make and Model

3. Location(s) of the Collateral:

**609 Keltic Drive
Sydney, NS**

This is Exhibit "C" to the affidavit of
Michelle Bursey, sworn before me
this 21st day of July, 2023



A Barrister of the Supreme Court
of Nova Scotia

MARC L.J. DUNNING
A Barrister of the Supreme
Court of Nova Scotia



GUARANTEE

LOAN #112496-02

GUARANTOR:	Stone Brothers Plumbing & Heating Limited	the "Guarantor"
CREDITOR:	Business Development Bank of Canada	"BDC"
DEBTOR:	3298501 Nova Scotia Limited	the "Borrower"
DEBT:	\$195,500.00	the "Principal Sum"
LIMIT OF LIABILITY:	<u>100%</u> of the Outstanding Balance on the date BDC demands payment under this guarantee	the "Limited Amount"
DATED:	<u>April 27</u>	, 2017.
BDC BUSINESS CENTRE:	Nova Scotia (Province/Territory)	the "Governing Jurisdiction"

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF THE BANK OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;
- (g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;
- (h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;
- (i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and
- (j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. The Bank may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.

Executed, Sealed and Delivered by

in the presence of:



 John G. Khattar
 John G. Khattar Law Office Inc.
 463 Prince St., Sydney, NS B1P 6T7
 Solicitor
 (as to all signatures)

Stone Brothers Plumbing & Heating Limited

Per. _____


SOLICITOR'S CERTIFICATE

I certify that I subscribed to the execution of this instrument by the persons or person whose signature appears beside my subscription only after satisfying myself that the person read and understood this instrument, ascertaining that the person had received independent legal advice where necessary and seeing the instrument executed, sealed and delivered.



 Solicitor

JOHN G. KHATTAR
A Barrister of the Supreme
Court of Nova Scotia



GUARANTEE

LOAN #112496-01

GUARANTOR:	Stone Brothers Plumbing & Heating Limited	the "Guarantor"
CREDITOR:	Business Development Bank of Canada	"BDC"
DEBTOR:	3298501 Nova Scotia Limited	the "Borrower"
DEBT:	\$217,000.00	the "Principal Sum"
LIMIT OF LIABILITY:	<u>100%</u> of the Outstanding Balance on the date BDC demands payment under this guarantee	the "Limited Amount"
DATED:	<u>April 27</u>	, 2017.
BDC BUSINESS CENTRE:	Nova Scotia (Province/Territory)	the "Governing Jurisdiction"

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF THE BANK OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;
- (g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;
- (h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;
- (i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and
- (j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. The Bank may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.

Executed, Sealed and Delivered by

in the presence of:



John G. Khattar
John G. Khattar Law Office Inc.
463 Prince St., Sydney, NS B1P 6T7
Solicitor
(as to all signatures)

Stone Brothers Plumbing & Heating Limited


Per. _____
SOLICITOR'S CERTIFICATE


I certify that I subscribed to the execution of this instrument by the persons or person whose signature appears beside my subscription only after satisfying myself that the person read and understood this instrument, ascertaining that the person had received independent legal advice where necessary and seeing the instrument executed, sealed and delivered.



Solicitor

JOHN G. KHATTAR
Barrister of the Supreme
Court of Nova Scotia

This is Exhibit "D" to the affidavit of
Michelle Bursey, sworn before me
this 21st day of July, 2023



A Barrister of the Supreme Court
of Nova Scotia

MARC L.J. DUNNING
A Barrister of the Supreme
Court of Nova Scotia



MORTGAGE

MORTGAGOR: STONE BROTHERS PLUMBING & HEATING LIMITED

"the Mortgagor",

MORTGAGEE: BUSINESS DEVELOPMENT BANK OF CANADA

"the Bank",

DATED: the 27 day of April, 2017

FOR: \$ 230,000.00 ("the Principal Sum") and other indebtedness.

1. DEBT

In consideration of the Principal Sum lent by the Bank to the Mortgagor, the Mortgagor promises to pay to the Bank, at such office of the Bank as it may direct, the aggregate of:

- (a) the Principal Sum outstanding from time to time, including all present and future advances and re-advances of the Principal Sum made after the repayment of any or all of the Principal Sum, provided that the total Principal Sum shall not at any time exceed the Principal Sum stated
- (b) all other present or future debts, liabilities or obligations of the Mortgagor hereunder, or under any letter of offer, commitment letter, guarantee, or any other agreement, with the Bank, including all future advances and re-advances, interest, and interest on overdue interest, whether direct or indirect, absolute or contingent, joint or several, matured or not, extended or renewed, wherever and however incurred, of whatsoever nature or kind, whether or not provided for herein, and whether owed by the Mortgagor to the Bank, as principal, guarantor, indemnitor or otherwise; and
- (c) interest on the Principal Sum at the rate equal to the floating base rate of the Bank for commercial and industrial loans denominated in Canadian dollars announced from time to time plus 10.00% per year, calculated monthly and payable monthly, both after as well as before maturity, default and/or judgment; provided, however, if the Mortgagor and the Bank have agreed in writing in any document constituting or giving rise to or respecting any Secured Obligations, or in any other agreement, that a different interest rate will apply thereto and be the Interest Rate for purposes hereof applicable to the Secured Obligations in question, then that different rate will apply ("the Interest Rate");

- (d) protective disbursements as provided for in clause 9, on demand;
- (e) interest on interest past due at the Interest Rate and calculated in the same manner as interest on the Principal Sum; and
- (f) interest on each protective disbursement from the day the protective disbursement is made, at the Interest Rate and calculated in the same manner as interest on the Principal Sum;

All of the foregoing are referred to as the "Secured Obligations".

2. SECURITY

As security for payment of the Secured Obligations and any other debt now or hereafter owed by the Mortgagor to the Bank, and for the performance of the other obligations of the Mortgagor hereunder, the Mortgagor grants, bargains and sells to the Bank the lands (including fixtures, appurtenances, leasehold improvements and rights of way) described in Schedule "A". The Secured Obligations may be reduced to zero from time to time without affecting the continuing nature of this Mortgage as security for any Secured Obligations thereafter incurred. This mortgage is void upon payment of those sums and debts and the performance of those other obligations and the Bank delivering to the Mortgagor a signed release of Mortgage. Notwithstanding the provisions of the *Land Registration Act* (Nova Scotia), the Bank shall not be required to record the release of this mortgage. In this mortgage the expression "the lands" means all lands including fixtures, appurtenances, leasehold improvements and rights of way mortgaged pursuant to this clause and the expression "structures" means buildings, structures, equipment and improvements on the lands or used in connection with the lands whether or not such is fixed to the lands. This mortgage is granted in addition to, and not in substitution for, any other security held to secure payment of the sums and debts mentioned in this clause.

3. MORTGAGE OF LEASE

If the Mortgagor's interest is as a lessee, sub-lessee, licensee or sub-licensee (collectively a "lessee") of the whole or any portion of the lands described in Schedule "A" pursuant to a lease:

- (a) the Mortgagor hereby demises, sub-leases and mortgages its interest and the lease to the Bank, by way of a sub-lease, except for the last day of the term of the lease (the "reversion") which is excepted out of the charge created by this mortgage but which shall be deemed to be held by the Mortgagor in trust for the Bank to be assigned or disposed of as the Bank or anyone claiming through the Bank may direct, and the Bank shall have power on any realization to appoint a new person as Trustee of the reversion;
- (b) if the lease cannot be effectively charged without consent, any charge intended to be created by this mortgage upon the Mortgagor's interest in the lease shall not become effective until, but shall become effective immediately when, all consents necessary for the validity and effectiveness of such charge have been obtained or waived by all appropriate persons;
- (c) the Mortgagor represents to the Bank that the lease is valid and in good standing, in full force and effect and unsurrendered, the Mortgagor has the right to mortgage its interest and the lease to the Bank, all rents or other amounts payable under the lease have been paid

and all other obligations under the lease, whether of the Mortgagor or its landlord, have been performed or complied with;

- (d) the Mortgagor will promptly perform and observe all of the terms, covenants and conditions required to be performed and observed by the Mortgagor under the lease, including payment of rent;
- (e) the Mortgagor shall take no action or be guilty of any default which shall or may cause the lease to be terminated or forfeited, or, without the Bank's prior written consent, surrender or give any notice which would have the effect of terminating, or permitting the termination of, the lease;
- (f) the Mortgagor will promptly notify the Bank in writing of any default or of any condition that with or without the passage of time or the giving of any notice might result in a default under, or the termination of, the lease, and the Mortgagor will promptly cause a copy of each notice it receives under the lease to be delivered to the Bank;
- (g) in the event of any renewal, extension, replacement or substitution of the lease being created, the Mortgagor will immediately so advise the Bank, and provide the Bank with particulars of the same and a true copy of the subject instrument, and when the Bank requests, the Mortgagor will execute such further instrument as the Bank may require;
- (h) the Mortgagor will not during the continuance of this mortgage, without the Bank's prior written consent, modify, alter or suffer or permit any modification or alteration of the lease and any such altered or modified lease shall be charged by this mortgage;
- (i) the Mortgagor will promptly obtain from the lessor under the lease and deliver to the Bank, a certificate stating that the lease is in full force and effect, is unmodified or modified as the case may be, that no notice of termination thereon has been served on the Mortgagor thereunder, stating the date to which the rent has been paid and stating whether or not there are any defaults thereunder and specifying the nature of such defaults, if any;
- (j) the Mortgagor shall not consent to the subordination of the lease to any mortgage of the interest of the lessor (or leasehold interest of the sub-lessor) thereof in the lands;
- (k) the Mortgagor will at the proper time and times take such proceedings, and make, do and execute such acts, deeds, matters and things as may be requisite for obtaining a renewal of the lease; and
- (l) the Mortgagor will hold the reversion and any renewals, extensions, replacements or substitutions thereof in trust for the Bank and the Mortgagor will assign and dispose of the same in such manner as the Bank may direct by notice in writing.

4. POSSESSION

The Mortgagor may have possession of the lands until the Bank otherwise directs and, upon such direction, the Bank may enter and have quiet enjoyment of the lands. The Mortgagor becomes a yearly tenant of the Bank at the monthly rent of the payments mentioned in this mortgage but the Bank shall be accountable for actual receipts only and after default may enter without notice.

5. FURTHER CONVEYANCES AND MORTGAGES

The Mortgagor shall not, without the written consent of the Bank, mortgage, convey, lease or charge the lands or any part of them.

6. COVENANTS

The Bank and the Mortgagor have entered into an agreement evidenced by an exchange of letters respecting the loan made in consideration of this mortgage; to the extent that they are not inconsistent with the provisions of this mortgage, the Mortgagor adopts and promises to perform the promises and covenants of the borrower in the agreement and, in addition to those promises or covenants and the promises or covenants evidenced by other clauses of this mortgage, the Mortgagor covenants with the Bank:

- (a) subject to the rights of the Bank pursuant to clauses 4, 12 and 13, the Mortgagor shall retain possession of the lands and it shall keep all the structures in good repair and it shall not allow waste in respect of the lands and it shall immediately notify the Bank of any damage to structures;
- (b) the Mortgagor has good title in fee simple to the lands, other than those lands that are expressed herein to be held in leasehold, and the right to convey the lands as hereby conveyed notwithstanding any act of the Mortgagor;
- (c) this mortgage constitutes a first charge on the lands described in Schedule "A" except for any encumbrance that the Bank approves in writing before the advance of funds hereunder;
- (d) the Mortgagor will procure such further assurances as the Bank may reasonably require and it shall do so at the Mortgagor's expense;
- (e) the Mortgagor shall discharge any debt or obligation that forms a lien, charge, or other encumbrance on the lands or any part of them or that may be the subject of a demand upon the Bank or an agent of the Bank in the event that the Bank enforces one of the remedies;
- (f) the Mortgagor shall discharge any debt or obligation in respect of which the lands or any part of them may be deemed to be held in trust and generally any debt or obligation that may affect the net amount the Bank can realize through enforcement of one of the remedies;
- (g) the Mortgagor, if it is a company, has taken all necessary corporate action to authorize the execution of this mortgage and to bind the Mortgagor to each of the terms of this mortgage and the Mortgagor shall maintain its corporate existence;
- (h) the Mortgagor shall maintain proper books of account and shall not alter or destroy its books of account or permit any incorrect entry therein nor shall it change the nature of its business;
- (i) on default the Bank may enter and have quiet enjoyment of the lands;
- (j) the Mortgagor shall purchase and maintain direct damage insurance against any insurable loss or damage-that may be caused to any structure on such terms and to such limits as the Bank may prescribe in writing;
- (k) where the Bank has not otherwise prescribed terms or limits pursuant to subclause (j), the Mortgagor shall purchase and maintain direct damage insurance against any insurable loss

or damage to any structure for the replacement cost value of the structure and it shall cause each policy of insurance to indicate that loss is payable to the Bank and to include, in favour of the Bank, the current standard mortgage clause approved by the Insurance Bureau of Canada or a like clause approved in writing by the Bank;

- (l) in addition to direct damage insurance, the Mortgagor shall purchase such policies of insurance for the protection of any structure or the financial health of the Mortgagor as the Bank may require on such terms and to such limits as the Bank may prescribe in writing;
- (m) the Mortgagor shall, within 90 days of the year end of the Mortgagor's business, deliver to the Bank annual financial statements accurately stating the assets and liabilities and the income and expenses of the Mortgagor's business and such other information as the Bank may direct, and containing, if the Bank so directs, the opinion of an independent, qualified auditor;
- (n) the Mortgagor shall do all acts necessary to give the Bank access from time to time to the lands, all property in the control of the Mortgagor and all books and records of the Mortgagor;
- (o) the Bank and any of its agents, may at such time and from time to time, as the Bank deems necessary and without the concurrence of any person, enter upon any part of the lands and make arrangements for completing the construction, repairing or putting in of improvements, or for inspecting, appraising, taking care of, leasing, collecting the rents of, and generally managing any or all of the Mortgagor's interest, as the Bank may deem expedient, including the inspection and copying of the Mortgagor's books and records, whether located at the lands or elsewhere. Further, the Mortgagor consents to the Bank contacting and making inquiries of the Mortgagor's lessors/lessees, as well as environmental officials, assessors, municipal authorities and any taxing body; and
- (p) the Mortgagor shall carry on, in a proper business-like manner, the business or businesses it has represented to the Bank as being the present or prospective business of the Mortgagor, and shall maintain in good standing all necessary licenses, permits, approvals and consents, and shall comply with all laws, regulations and ordinances applicable to the Mortgagor's business.

7. ENVIRONMENTAL MATTERS

7.1 Definitions

- (a) **"Environmental/Hazardous Materials Claims"** means enforcement or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental/Hazardous Materials Laws, together with claims made or threatened by any third party against the Mortgagor or in respect of the lands described in Schedule "A" relating to the environment, health, safety, any Wastes/Hazardous Materials or any Environmental/Hazardous Materials Laws;
- (b) **"Environmental/Hazardous Materials Laws"** means laws, by-laws, rules, ordinances, regulations, notices, approvals, orders, licenses, permits, standards, guidelines and policies from time to time of any level of government or other authorized agency relating to the environment, health, safety or any Wastes/Hazardous Materials;

- (c) **"Wastes/Hazardous Materials"** means wastes, materials and substances the storage, manufacture, disposal, treatment, generation, use or transport of which is prohibited, controlled or licensed under any Environmental/ Hazardous Materials Laws, or the remediation or release of which into the environment is likely, immediately or in the future, to cause harm or degradation to any of the lands described in Schedule "A" or the environment, including contaminants, pollutants, corrosive substances, toxic substances, special wastes, substances deleterious to fish or wildlife, explosives, radioactive materials, asbestos, urea formaldehyde, and compounds known as chlorobiphenyls.

7.2 No Environmental Risks

The Mortgagor represents and agrees that:

- (a) the Mortgagor is not aware of any environmental risks or liabilities in connection with the lands described in Schedule "A" which have not been disclosed to the Bank and approved by the Bank in writing;
- (b) the operations on the lands described in Schedule "A" are and will be kept in compliance with all Environmental/Hazardous Materials Laws and the Mortgagor will ensure its staff is trained as required for such purpose;
- (c) the Mortgagor has an environmental emergency response plan and all the Mortgagor's officers and employees are familiar with that plan and their duties under it;
- (d) the Mortgagor possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary for the conduct of its business;
- (e) the lands described in Schedule "A" are and will remain free of environmental damage or contamination;
- (f) the Mortgagor will provide the Bank with copies of all communications from or to any person relating to Environmental/Hazardous Materials Laws and any Environmental/Hazardous Materials Claims in connection with the lands described in Schedule "A" that become known to the Mortgagor, and all environmental studies or assessments prepared for the Mortgagor, and the Mortgagor consents to the Bank contacting and making enquiries of environmental officials or assessors;
- (g) the Mortgagor will advise the Bank immediately upon becoming aware of any environmental problem relating to the lands described in Schedule "A" or the Mortgagor's business;
- (h) without limiting the above, the Mortgagor will not install in, on or under the lands described in Schedule "A" storage tanks for any Wastes/Hazardous Materials without the Bank's prior written consent and only upon full compliance with the Bank's requirements and the standards and requirements of all boards and governmental authorities having jurisdiction over the lands, and the Mortgagor's activities and assets.

7.3 Indemnity

The Mortgagor agrees to assume and be responsible for any and all environmental liabilities relating to the lands described in Schedule "A", including any liability for the clean-up of any Wastes/Hazardous Materials in, on or under the lands, and the Mortgagor agrees to protect, save harmless and indemnify the Bank, and any Receiver, and the Bank's respective directors, officers, employees and agents, direct and indirect successors and assigns, and the Bank's interest in the lands, from and against any and all claims, demands, liabilities, losses, damages and expenses, including legal fees and expenses, suffered by any of such persons arising out of or in connection with any and all environmental liabilities relating to the lands. The Mortgagor's liability will arise upon the earlier of the discovery of any Wastes/Hazardous Materials, and the institution of any Environmental/Hazardous Materials Claims, and will not be dependent upon the realization of any loss or damage or the determination of any liability. This indemnity and the Mortgagor's liability hereunder will survive after this mortgage and the charges created hereby have been discharged.

8. INSURANCE PROCEEDS

Notwithstanding subclause 6 (j) and (k), the Mortgagor hereby assigns, transfers and sets over to the Bank all policies of insurance now or hereafter made in respect of any structure and the proceeds of such policies of insurance. The Bank may dispose of moneys paid to it pursuant to a policy of insurance under this clause or subclause 6 (j) and (k) as follows:

- (a) it may hold the moneys as further security for the payment of the Secured Obligations;
- (b) it may use the moneys to restore or improve the lands;
- (c) it may apply the moneys in reduction of the Secured Obligations; or
- (d) it may deliver the moneys to the Mortgagor under such terms or conditions as the Bank may prescribe.

9. PROTECTIVE DISBURSEMENTS

The Bank may, without notifying the Mortgagor, purchase any material or service and make any payments to preserve, protect or enhance the lands or to remedy any default by the Mortgagor in respect of any promise or covenant contained in this mortgage and, without restricting the generality of the foregoing, the Bank may make such purchases or payments to:

- (a) retire fees, expenses and borrowings of a receiver;
- (b) acquire insurance against direct damage, liability to third parties or any other risk associated with the lands on such terms and at such limits as the Bank may find advisable;
- (c) discharge any lien, mortgage or encumbrance which, in the opinion of the Bank, has priority over this mortgage;

- (d) improve the title of the Bank or of any purchaser of the lands who purchases them through a sale having the effect of foreclosing the Mortgagor's interest in the lands or who purchases them from the Bank after the Mortgagor's interest in the lands has been foreclosed;
- (e) discharge any debt or obligation which the Bank may find should be discharged in order to better market, sell or protect the lands;
- (f) cause the lands to be inspected, investigated (including environmental audits), appraised, surveyed or subdivided;
- (g) cause the Mortgagor's books and records to be audited and the financial health of the Mortgagor's business to be investigated;
- (h) retire the fees, commissions or expenses of any agent retained by the Bank to market the lands;
- (i) retire all costs and expenses, including legal fees on a solicitor and client basis, in relation to the preparation, execution and delivery of this mortgage and any amendment or discharge of it, in relation to the collection of any amount due hereunder and in relation to the enforcement of any remedy including the actual fees and expenses who act on behalf of the Bank in proceedings for the appointment of a receiver, foreclosure, foreclosure and sale, judicial sale, sale by power of sale or possession of the lands;
- (j) pay the fees and expenses of a trustee in Bankruptcy of the Mortgagor, should the Bank determine to make itself liable for such;
- (k) retire all costs and expenses including fees on a solicitor and client basis in respect of any suit concerning this mortgage, any lands that may be mortgaged hereunder, the Bank's title to the lands, or the priority of the Bank's interest in the lands; and
- (l) cause any environmental rehabilitation, investigation, removal or repair necessary to protect, preserve or remediate the lands.

A purchase or payment mentioned in this clause is referred to in this mortgage as a "protective disbursement". The Bank is not obliged to make any protective disbursement. All protective disbursements, including solicitor and client fees and expenses upon foreclosure and sale, are secured by this mortgage and are payable out of the proceeds of the exercise of any remedy notwithstanding that the Bank's liability for the protective disbursement arises after or is discharged after a sale of the mortgaged property.

10. EVENTS OF DEFAULT

The occurrence of any of the following events will constitute an Event of Default:

- (a) if the Mortgagor fails, or threatens to fail, to observe or perform any covenant, agreement, condition or obligation in the Bank's favour, whether or not herein contained, including the Mortgagor's failure to pay or perform any of the Secured Obligations when due;
- (b) if any representation, warranty or statement made to the Bank either by the Mortgagor or on its behalf and whether or not contained herein or elsewhere, is not or ceases to be true;

- (c)** if the Mortgagor, or any other obligant to the Bank, or any other person liable, in respect of any of the Secured Obligations, ceases or threatens to cease to carry on the Mortgagor's or the other obligant's business, as the case may be, or any material part thereof or to sell all or substantially all of the Mortgagor's or the other obligant's assets, or becomes insolvent or files a proposal, a notice of intention to file a proposal, or an assignment for the benefit of creditors under applicable bankruptcy or similar legislation, or if a petition is filed, an order is made, a resolution is passed, or any other step is taken for the Mortgagor's, or such other person's, bankruptcy, liquidation, dissolution, winding-up or reorganization or for any arrangement or composition of the Mortgagor's or the other obligant's debts or any protection from the Mortgagor's or the other obligant's creditors;
- (d)** if the Mortgagor is in default under any other charge of the lands described in Schedule "A" or under any indebtedness other than Secured Obligations, or the Mortgagor permits to accelerate any indebtedness (other than Secured Obligations) owed by the Mortgagor to any creditor other than the Bank;
- (e)** if a Receiver, trustee or similar official of any of the Mortgagor's property is appointed;
- (f)** if the Mortgagor is a corporation and any member or shareholder commences an action against the Mortgagor or gives notice of dissent to the Mortgagor in accordance with the provisions of any applicable legislation;
- (g)** the holder of any other charge on, or claim against, any of the lands described in Schedule "A" does anything to enforce or realize on such charge or claim, or any execution, sequestration, or other process becomes enforceable against the Mortgagor, or if a distress, seizure or similar process is levied upon or exercised against any of the lands;
- (h)** if the lessor under any lease to the Mortgagor of any of the lands described in Schedule "A" takes any step to or threatens to terminate such or otherwise exercise any of its remedies under such lease as a result of any default or alleged default by the Mortgagor under such lease;
- (i)** if any of the lands described in Schedule "A" are destroyed, substantially damaged, expropriated, or designated or considered for designation as a contaminated site;
- (j)** if any permit, licence, certification, quota or order granted to or held by the Mortgagor is cancelled, reduced or revoked, or any order against the Mortgagor is enforced, with the effect of preventing the Mortgagor's business from being carried on for more than five days or materially adversely changing the condition (financial or otherwise) of the Mortgagor's business;
- (k)** if the Mortgagor sells, transfers, conveys, leases, assigns, releases, surrenders or otherwise disposes of or parts with possession of any of the lands described in Schedule "A" or agrees to do so;
- (l)** if the Mortgagor is in arrears of payment to any taxing authority;
- (m)** if the Mortgagor causes or allows hazardous materials to be brought upon the lands described in Schedule "A" or incorporated into any of the Mortgagor's assets without the Bank's prior consent, or if the Mortgagor causes, permits or fails to remedy any

environmental contamination upon, in or under the lands or fails to comply with any abatement or remediation order given by a responsible authority;

- (n) if the Mortgagor uses any of the monies advanced hereunder for any purpose other than as declared to and agreed upon by the Bank;
- (o) if the Bank deems itself insecure or believes that the assets secured hereby are in danger of loss, damage or misuse; or
- (p) if there is a deemed Event of Default pursuant to this mortgage.

Upon the occurrence of an Event of Default, at the option of the Bank, without notice to the Mortgagor, the Bank's security shall immediately become enforceable and all of the money hereby secured remaining unpaid shall become due and payable. If, in respect of a default, the Bank chooses not to exercise the option hereby given to it or waives its right to call in the balance of the loan, such does not constitute a waiver of the Bank's rights under this clause in respect of any other default.

11. NOTICE RESPECTING DEFAULT AND ENFORCEMENT

The Bank may exercise any remedy or remedies immediately upon the occurrence of an Event of Default, without making a demand for payment or giving time for payment or notifying the Mortgagor of the Bank's intention to exercise the remedy or remedies. If the Bank chooses to notify the Mortgagor of such an intention or to demand payment, it shall not thereby be taken to have waived its rights under this clause or to have subjected itself to a duty to give reasonable notice to the Mortgagor respecting the Bank's intention or to give the Mortgagor reasonable time for payment.

12. REMEDIES

On the occurrence of an Event of Default, the Bank may immediately thereupon seek or exercise any remedy as may be available to it in law or equity and it may exercise any of the following remedies:

(a) POSSESSION

Without limiting the rights of the Bank pursuant to clause 4, the Bank may take possession of the lands or any part of them and upon doing so the Bank may do such things as it deems advisable in order to maintain, protect or preserve the lands, it may make improvements or alterations to the lands and the Bank may lease the lands to third parties on such terms as the Bank deems advisable;

(b) POWER OF SALE

The Bank may, without notice to the Mortgagor or those claiming by, through, from or under it, sell the lands by way of public auction, private sale, tender or any other method as the Bank may choose and according to such terms as the Bank may choose to accept and any conveyance by the Bank pursuant to this power conveys to the purchaser the right, title, interest, property and demand of the Mortgagor at the time of the making of this mortgage or any time since and that of any person claiming by, through, from or under the Mortgagor of, in and to the lands sold;

(c) JUDGMENT

The Bank may sue the Mortgagor or any person jointly liable with it or any guarantor and recover judgment, without having exhausted the other remedies available to it and no other remedy or right of the Bank merges in any such judgment;

(d) RECEIVERSHIP

The Bank may appoint a receiver or a receiver and manager (the "receiver") of the lands, and in doing so the Bank may appoint any person it chooses including one of the Bank's employees and, the Bank may remove and replace the person so appointed. A receiver appointed by the Bank is the agent of the Mortgagor and his actions are binding upon the Mortgagor and not upon the Bank. Notwithstanding that the receiver is the agent of the Mortgagor, the Bank may instruct the receiver as regards the exercise of its powers and the discharge of its duties, and the Bank may make such arrangements as it may choose in respect of the receiver's expenses and fees; and

(e) DISTRESS

The Bank may distrain for arrears of rent pursuant to clause 4.

In this mortgage, the term "remedies" means the remedies prescribed in this clause and such other remedies as the Bank may have in law or equity. The remedies are cumulative; the exercise of one does not preclude the use of others. The Bank may exercise any of the remedies against the lands as a whole or in parts, it may enforce one remedy against one part of the lands and other remedies against other parts and it may abandon or discharge whatever parts of the lands as the Bank may choose. Where the exercise of a remedy involves the sale of the lands or part of them, the party making the sale may accept cash, credit or part cash and part credit and, if a sale is made on credit, the Bank need apply, in reduction of the debt or debts secured, only such payments as are actually made.

13. POWERS OF THE RECEIVER

The receiver may:

- (a)** exercise any of the powers of the Bank pursuant to clause 12 except subclause 12(d) and make any purchase or payment as the Bank may make under clause 9;
- (b)** carry on any business for which the lands are used and conduct the affairs of the Mortgagor in respect of such business;
- (c)** do any act or thing as could be authorized by the board of directors or the shareholders of the company if the Mortgagor is a company;
- (d)** do all things necessary to control the lands, manage the lands or to produce income from the lands;

- (e) where the Bank holds a chattel mortgage in respect of the Secured Obligations and the Bank has not appointed an agent under the chattel mortgage, do any act or thing that may be done by an agent under the chattel mortgage but, in so doing or acting, the receiver is the agent of the Mortgagor as provided in subclause 12(d);
- (f) borrow money to carry on any business for which the lands are used, to carry out any power of the receiver or for protective disbursements;
- (g) retain and instruct counsel, real estate agents, appraisers, property managers and any person who the receiver may find to be helpful in the discharge of its powers; and
- (h) generally, do anything it finds to be necessary for the orderly management or liquidation of the lands.

14. LIABILITY RESPECTING ENFORCEMENT OF SECURITY

Once the Bank has determined to exercise a remedy or remedies, it may deal with and dispose of the lands as the Bank may see fit and neither the Mortgagor nor those claiming by, though from or under it shall maintain any action, advance any claim or rely on any set-off by reason of the order of enforcement of remedies against parts of the lands, the abandonment or discharge of the lands or part of them, the Bank's failure to maintain or insure the lands, the Bank's failure to secure an adequate price for the lands or anything relating to the manner in which the lands are dealt with or disposed of. in this clause "the Bank" includes the receiver.

Further, the Bank may, in its sole discretion, realize on various securities (including this mortgage) and any parts thereof in any order that the Bank considers advisable and no realization or exercise by the Bank of any power or right under this mortgage or other security shall in any way prejudice any further realization or exercise until all Secured Obligations are satisfied. All rights and remedies available to the Bank are cumulative and not restrictive of remedies at law and in equity and by statute.

15. RELEASES

The Mortgagor is not released from any of its obligations to pay the Secured Obligations nor is any security held to secure the Secured Obligations released by reason of the Bank releasing any person who may be obligated to pay the Secured Obligations or any part of them, or by reason of the Bank releasing any security held to secure payment of the Secured Obligations. The Bank is only accountable for money actually received by it in consideration of the release of any person or security.

16. INDULGENCES

The Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, compromise, make settlements, grant releases and discharges, refrain from registering or maintaining registration of charges, and otherwise deal with the Mortgagor, other obligants to the Bank, the Mortgagor's other creditors, sureties and other persons and with the lands and other security, all as the Bank sees fit in its absolute discretion and without prejudice to the Mortgagor's liability or the Bank's rights or remedies. The Mortgagor agrees that it will not be released nor its liability in any way reduced because the Bank has done, not done, or concurred in doing or not doing, anything whereby a surety would or might be released in whole or in part.

CANADA
PROVINCE OF NOVA SCOTIA
COUNTY OF CAPE BRETON

AFFIDAVIT OF STATUS & AUTHORIZATION

(CORPORATE)

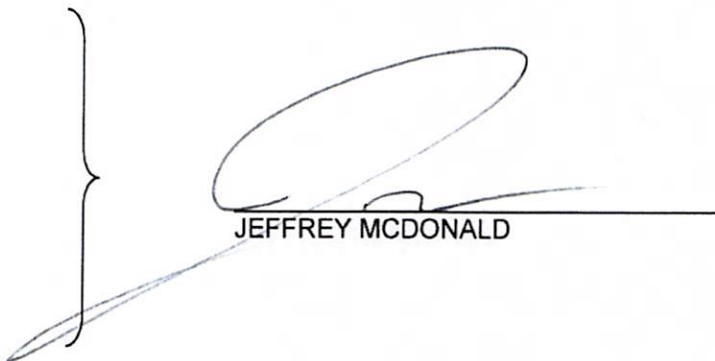
I, Jeffrey McDonald, of the Cape Breton Regional Municipality, Nova Scotia, make oath and say that:

1. I am the President, of Stone Brothers Plumbing & Heating Limited, the Corporation. Except as otherwise stated I have personal knowledge of the matters to which I have sworn in this Affidavit.
2. I acknowledge that the Corporation executed the foregoing Instrument by its proper officer(s) duly authorized in that regard on the date of this Affidavit; this acknowledgment is made pursuant to s.31(a) of the *Registry Act*, R.S.N.S. 1989, c.392, or s.79(1) of the *Land Registration Act*, as the case may be, for the purpose of registering the instrument.
3. The Corporation is a resident of Canada under the *Income Tax Act* (Canada).
4. The ownership of a share or an interest in a share of the Corporation does not entitle the owner of such share or interest in such share to occupy a dwelling owned by the Corporation and none of the Shareholders of the Corporation occupy the lands described in this Indenture.

SWORN TO at Sydney
County of Cape Breton
Province of Nova Scotia
this _____ day of
A.D. 2017, before me,



A COMMISSIONER OF THE
SUPREME COURT OF NOVA
SCOTIA

JEFFREY MCDONALD

**PROVINCE OF NOVA SCOTIA
COUNTY OF CAPE BRETON**

I certify that on this _____ day of _____, 2017, **Stone Brothers Plumbing & Heating Limited**, one of the parties mentioned in the foregoing and annexed Indenture, *caused the same to be executed in its name and on its behalf by its proper officers* in my presence and I have signed as a witness to such execution.



A COMMISSIONER OF THE SUPREME
COURT OF NOVA SCOTIA



SCHEDULE "A"

000053

PARCEL DESCRIPTION REPORT

2017-04-04 09:57:17

PID: 15221542
CURRENT STATUS: ACTIVE
EFFECTIVE DATE/TIME: 2013-09-17 11:31:50

All that certain lot, piece or parcel of land situate, lying and being on the south western side of the North Sydney Road between Coxheath and Ball's Creek, in the County of Cape Breton, in the Province of Nova Scotia, and being more particularly described as follows:

BEGINNING at a point on the south western boundary line of the Sydney - North Sydney Highway between Coxheath and Ball's Creek said point being the intersection of the south western boundary line of the said Sydney - North Sydney highway and the north western side of lot of land deeded by Walter W. McKinlay et ux to Annie Lewis McDonald by deed dated the 13th of August 1942, said deed being recorded in the Registry of Deeds Office, Sydney, Nova Scotia, in book 396, at pages 746 et seq;

THENCE south westerly along said north western side of said lot of Annie Lewis McDonald a distance of four hundred and sixteen (416') feet;

THENCE north easterly a distance of four hundred and eight (408') feet more or less to a point on the south western boundary line of said Sydney and North Sydney Highway to a point eighty (80') feet southerly from the place of beginning;

THENCE northerly along the south western boundary of said highway a distance of eighty (80') feet to the place of beginning;

Note: the above lot being a portion out of the north eastern part of a lot of land deeded by Walter W. McKinlay to Annie Lewis McDonald by deed dated the 13th day of August, 1942, said deed being recorded in the Registry of Deeds Office, Sydney, Nova Scotia, in book 396, page 746 et seq.
Reg. Ref: 1676/813

*** Municipal Government Act, Part IX Compliance ***

Compliance:

The parcel originates with an instrument (registration details below) and the subdivision is validated by Section 291 of the Municipal Government Act

Registration District: CAPE BRETON COUNTY
Registration Year: 1952
Book: 541 Page: 182 Document Number: 1247

External Comments:

Description Change Details:

Reason:

Author of New or

Changed Description:

Name:

PARCEL DESCRIPTION REPORT

2017-04-04 09:57:17

Registered Instruments:

Comments:

This is Exhibit "E" to the affidavit of
Michelle Bursey, sworn before me
this 21st day of July, 2023



A Barrister of the Supreme Court
of Nova Scotia

MARC L.J. DUNNING
A Barrister of the Supreme
Court of Nova Scotia



GENERAL SECURITY AGREEMENT

LOAN #112496-01

THIS AGREEMENT dated the 27th day of April, 2017.

BETWEEN:

STONE BROTHERS PLUMBING & HEATING LIMITED, body corporate pursuant to the laws of the Province of Nova Scotia

(the "Debtor")

AND:

BUSINESS DEVELOPMENT BANK OF CANADA, with a business centre at 275 Charlotte Street, Sydney, NS B1P 1C6

("BDC")

1. SECURITY INTEREST

(You, as the Debtor, will grant to BDC a charge, referred to as a security interest, over all personal property now held or in the future held or acquired by you. You will also grant a charge, referred to as a floating charge, over your complete undertaking. These charges are the security BDC will hold in consideration of lending you funds or providing the credit facility to you.)

1.1 For consideration the Debtor hereby:

- (a) mortgages and charges as a fixed and specific charge, and assigns and transfers to BDC, and grants to BDC a general and continuing security interest in all of the Debtor's present and after acquired personal property including, without limitation:
 - (i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
 - (ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");

- (iii) all debts, accounts, claims, demands, moneys and choses in action which now are, or which may at any time be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, moneys and choses in action (all of which is collectively called the "Accounts");
 - (iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Debtor that is not Equipment, Inventory or Accounts;
 - (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Debtor (all of which is collectively called the "Intellectual Property");
 - (vi) all the Debtor's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Debtor, and all other intangible property of the Debtor, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
 - (vi) the personal property described in Schedule "A" attached to this Agreement and all additions thereto and replacements thereof; and
 - (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to BDC a general and continuing security interest and charges by way of a floating charge:
- (i) all of the undertaking and assets of the Debtor, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of BDC created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

1.3 The schedules, including definitions, form part of this Security Agreement.

2. EXCEPTIONS

(With few exceptions, all of your personal property is subject to the security interests and charges described in Clause 1.1. Only the last day of any lease term and possibly your consumer goods are excepted. Corporations do not hold consumer goods.)

2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Debtor shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as BDC shall direct.

2.2 All the Debtor's consumer goods are excepted out of the Security Interests.

3. ATTACHMENT

(Value or consideration has flowed between you and BDC and the Security Interests in your personal property are complete once you sign this Security Agreement.)

The Debtor agrees that the Security Interests attach upon the signing of this Security Agreement (or in the case of after acquired property, upon the date of acquisition), that value has been given, and that the Debtor has (or

in the case of after acquired property, will have upon the date of acquisition) rights in the Collateral and the Debtor confirms that there has been no agreement between the Debtor and BDC to postpone the time for attachment of the Security Interests and that it is the Debtor's understanding that BDC intends the Security Interests to attach at the same time.

4. PURCHASE MONEY SECURITY INTEREST

(To the extent that BDC helps you acquire an interest in any personal property, you grant a special security interest to BDC over that personal property. The special security interest is known as a "Purchase Money Security Interest".)

The Debtor acknowledges and agrees that the Security Interests constitute and are intended to create Purchase Money Security Interests in Collateral to the extent that moneys advanced by BDC, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

5. OBLIGATIONS SECURED

(The Security Interests and charges you have granted to BDC secure all indebtedness and all obligations to BDC.)

This Security Agreement is in addition to and not in substitution for any other security interest or charge now or in the future held by BDC from the Debtor or from any other person and shall be general and continuing security for the payment and performance of all indebtedness, liabilities and obligations of the Debtor to BDC (including interest thereon), whether incurred prior to, at the time of or after the signing of this Security Agreement including extensions and renewals, and all other liabilities of the Debtor to BDC, present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, including all advances on current or running account, future advances and re-advances of any loans or credit by BDC and the Debtor's obligation and liability under any contract or guarantee now or in the future in existence whereby the Debtor guarantees payment of the debts, liabilities and/or obligations of a third party to BDC, and for the performance of all obligations of the Debtor to BDC, whether or not contained in this Security Agreement (all of which indebtedness, liabilities and obligations are collectively called the "Obligations").

6. REPRESENTATIONS AND WARRANTIES

(You state that you are able to legally grant this Security Agreement to BDC, it will be binding and the Collateral is not subject to any encumbrances that have not been approved by BDC. You own the Collateral and nothing prevents you from granting the Security Interests and charges in favour of BDC. BDC will rely on all of the following representations and warranties.)

6.1 The Debtor represents and warrants to BDC that:

- (a) if a corporation, it is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound;
- (b) if it is a corporation, its name as set forth on page 1 of this Security Agreement is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Debtor has provided a written memorandum to BDC accurately setting forth all prior names under which the Debtor has operated;
- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business

conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;

- (d) if the Debtor is an individual, that individual's full name and address provided to BDC are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to BDC or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to BDC is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Debtor, in which a decision adverse to the Debtor would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Debtor; and the Debtor agrees to promptly notify BDC of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to BDC in writing and which, if known to BDC, might reasonably be expected to deter BDC from extending credit or advancing funds to the Debtor;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by BDC, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by BDC;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Debtor has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to BDC;
- (i) the Collateral is and/or will be located at the place(s) described in Schedule "A" and will not be removed from such location(s) without the prior written consent of BDC;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor, if the Debtor is a corporation, or, if the Debtor is a partnership, of the partners of the Debtor, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations valid and there is no restriction contained in the constating documents of the Debtor or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Debtor to borrow money or give security; and
- (k) the Debtor's place(s) of business and chief executive office have been correctly provided to BDC

7. COVENANTS OF THE DEBTOR

(The Security Interests and the Collateral must be protected while the Security Agreement remains in effect. These covenants are your promises to BDC describing how BDC's Security Interests will be attended to. You will also covenant to maintain accurate books and records and allow BDC's inspection. Your promises are found in the Security Agreement and Schedules.)

7.1 The Debtor covenants with BDC that while this Security Agreement remains in effect the Debtor will:

- (a) promptly pay and satisfy the Obligations as they become due or are demanded;
- (b) defend the title to the Collateral for BDC's benefit, against the claims and demands of all persons;
- (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and effective;
- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
- (e) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (f) forthwith pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish to BDC such security as BDC may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by BDC arising out of any term of the commitment letter between BDC and the Debtor including, without limitation, inspection, administration and returned cheque handling fees;
- (g) forthwith pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by BDC in connection with granting loans or credit to the Debtor, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Debtor's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty BDC becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by BDC as security for the Obligations, protect BDC from liability in connection with the Security Interests or assist BDC in its loan and credit granting or realization of the Security Interest, including any actions under Bankruptcy and

Insolvency Act (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to Bankruptcy and Insolvency Act (Canada);

- (ix) any sums BDC pays as fines, or as clean up costs because of contamination of or from your assets. Further, you will indemnify BDC and its employees and agents from any liability or costs incurred including legal defense costs. Your obligation under this paragraph continues even after the Obligations are repaid and this agreement is terminated.
- (h) at BDC's request, execute and deliver further documents and instruments and do all acts as BDC in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify BDC promptly of:
 - (i) any change in the information contained in this Security Agreement relating to the Debtor, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
 - (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Debtor respecting any Accounts;
 - (v) any claims against the Debtor including claims in respect of the Intellectual Property or of any actions taken by the Debtor to defend the registration of or the validity of or any infringement of the Intellectual Property;
 - (vi) the return to or repossession by the Debtor of Collateral that was disposed of by the Debtor; and
 - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
- (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (l) permit BDC and its representatives, at all reasonable times, access to the Collateral including all of the Debtor's property, assets and undertakings and to all its books of account and records for the purpose of inspection and the taking of extracts and copies, whether at the Debtor's premises or otherwise, and the Debtor will render all assistance necessary;
- (m) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;
 - (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;

- (n) deliver to BDC from time to time promptly upon request:
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow BDC to inspect, audit or copy them;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as BDC may reasonably require;
- (o) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;
- (p) with respect to copyright forming part of the Intellectual Property, provide to BDC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
- (q) receive and hold in trust on behalf of and for the benefit of BDC all proceeds from the sale or other disposition of any Collateral;
- (r) consent to BDC contacting and making enquiries of the Debtor's lessors, as well as municipal or other government officials or assessors; and
- (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement, including Schedule B, if any.

7.2 Any amounts required to be paid to BDC by the Debtor under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.

7.3 This Security Agreement shall remain in effect until it has been terminated by BDC by notice of termination to the Debtor and all registrations relating to the Security Agreement have been discharged.

8. INSURANCE

(It is your obligation to thoroughly insure the Collateral in order to protect your interests and those of BDC. You will follow the specific requirements of the insurance coverage described in this Clause.)

8.1 The Debtor covenants that while this Security Agreement is in effect the Debtor shall:

- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as BDC may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
- (b) cause the insurance policy or policies required by this Security Agreement to be assigned to BDC, including a standard mortgage clause or a mortgage endorsement, as BDC may require;
- (c) pay all premiums respecting such insurance, and deliver all policies to BDC, if it so requires.

8.2 If proceeds of any required insurance becomes payable, BDC may, in its absolute discretion, apply these proceeds to the Obligations as BDC sees fit or release any insurance proceeds to the Debtor to repair, replace or

rebuild, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.

8.3 The Debtor will forthwith, on the happening of loss or damage to the Collateral, notify BDC and furnish to BDC at the Debtor's expense any necessary proof and do any necessary act to enable BDC to obtain payment of the insurance proceeds, but nothing shall limit BDC's right to submit to the Insurer a proof of loss on its own behalf.

8.4 The Debtor hereby authorizes and directs the insurer under any required policy of insurance to include the name of BDC as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by BDC to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.

8.5 If the Debtor fails to maintain insurance as required, BDC may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as BDC may wish to maintain.

9. OTHER PROHIBITIONS

(You agree to not encumber your property so as to interfere with the security interests or charges granted to BDC and you will not dispose of any of the Collateral except inventory disposed of in the ordinary course of your business.)

Without the prior written consent of BDC the Debtor will not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, undertakings including without limitation the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests created by this Security Agreement;
- (b) grant, sell, or otherwise assign any of its chattel paper or any of the Collateral except only Inventory that is disposed of in accordance with Clause 10.2; or
- (c) where the Debtor is a corporation
 - (i) repay or reduce any shareholders loans or other debts due to its shareholders; or
 - (ii) change its name, merge with or amalgamate with any other entity;

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

(You will preserve and protect all of the Collateral and not dispose of it without the consent of BDC. Any sales or other disposition will result in you holding the proceeds in trust for BDC. Your responsibilities towards the Collateral and any trust proceeds are important to BDC.)

10.1 Except as provided by this Security Agreement, without BDC's prior written consent the Debtor will not:

- (a) sell, lease, license or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

10.2 Provided that the Debtor is not in default under this Security Agreement, the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business.

10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Debtor

holding the proceeds in trust for and on behalf of BDC and subject to BDC's exclusive direction and control. Nothing restricts BDC's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with BDC's prior written consent.

11. PERFORMANCE OF OBLIGATIONS

(If you do not strictly do all those things that you have agreed to do in this Security Agreement, BDC may perform those obligations but you will be required to pay for them.)

If the Debtor fails to perform its covenants and agreements under this Security Agreement, BDC may, but shall not be obliged to, perform any or all of such covenants and agreements without prejudice to any other rights and remedies of BDC, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by BDC shall be immediately payable by the Debtor to BDC with interest at the highest rate borne by any of the Obligations and shall be secured by the Security Interests, until all such amounts have been paid.

12. ACCOUNTS

(Any dealing with the Collateral that results in an account being created, or proceeds arising, is of particular importance to BDC. The account, or proceeds, acts in substitution for the Collateral that has been sold, usually inventory. You will protect the account or proceeds in favour of BDC.)

Notwithstanding any other provision of this Security Agreement, BDC may collect, realize, sell or otherwise deal with all or a portion of the Accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. All forms of payment received by the Debtor in payment of any Account, or as proceeds, shall be subject to the Security Interests and shall be received and held by the Debtor in trust for BDC.

13. APPROPRIATION OF PAYMENTS

(BDC has the right to determine how funds it receives will be applied in relation to your loan facility.)

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as BDC sees fit, and BDC may at any time change any appropriation as BDC sees fit.

14. DEFAULT

(You must comply with the payment and other obligations that you have made in favour of BDC. You must also strictly satisfy the covenants and agreements that you have made in this Security Agreement. Failure to do so will be considered a default and BDC will consider its legal remedies and possibly pursue them. This Clause defines the defaults and outlines your obligations.)

14.1 Unless waived by BDC, the Debtor shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Debtor and BDC in any of the following events:

- (a) the Debtor defaults, or threatens to default, in payments when due of any of the Obligations; or
- (b) the Debtor is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with BDC, or any representation or warranty of the Debtor to BDC is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
- (c) the Debtor or a guarantor of the Debtor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under Bankruptcy and Insolvency Act (Canada), the Companies Creditors' Arrangement Act (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or

- (e) an order is made or a resolution is passed for the winding up of the Debtor or a guarantor of the Debtor; or
- (f) the Debtor or a guarantor of the Debtor ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (g) distress or execution is levied or issued against all or any part of the Collateral; or
- (h) if the Debtor is a corporation and any member or shareholder:
 - (i) commences an action against the Debtor; or
 - (ii) gives a notice of dissent to the Debtor in accordance with the provisions of any governing legislation; or
- (l) if the Debtor is a corporation and its voting control changes without BDC's prior written consent; or
- (j) the Debtor uses any monies advanced to it by BDC for any purpose other than as agreed upon by BDC; or
- (k) without BDC's prior written consent, the Debtor creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or
- (l) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or
- (m) the Debtor enters into an amalgamation, a merger or other similar arrangement with any other person without BDC's prior written consent or, if the Debtor is a corporation, it is continued or registered in a different jurisdiction without BDC's prior written consent; or
- (n) BDC in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
- (o) the lessor under any lease to the Debtor of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Debtor; or
- (p) the Debtor causes or allows hazardous materials to be brought upon any lands or premises occupied by the Debtor or to be incorporated into any of its assets, or the Debtor causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) any permit, license, certification, quota or order granted to or held by the Debtor is cancelled, revoked or reduced, as the case may be, or any order against the Debtor is enforced, preventing the business of the Debtor from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Debtor's business; or
- (r) if an individual, the Debtor dies or is declared incompetent by a court of competent jurisdiction.

15. ENFORCEMENT

(If a default occurs, BDC has numerous remedies and legal rights, including enforcement of the Security Agreement according to this Clause. You also have rights, provided by the *Personal Property Security Act* and the common law in your jurisdiction.)

15.1 Upon any default under this Security Agreement BDC may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests BDC may take any action permitted by law or in equity as it may deem expedient and in particular, without limitation, BDC may do any of the following:

- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the "Receiver") of all or any part of the Collateral, with or without bond as BDC may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any of the Debtor's premises at any time and take possession of the Collateral with power to exclude the Debtor, its agents and its servants, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as BDC deems advisable;
- (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to BDC may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (e) register assignments of the Intellectual Property, and use sell, assign, license or sub-license any of the Intellectual Property; and
- (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.

15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Debtor and not of BDC and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of BDC under this Security Agreement, and in addition shall have power to:

- (a) carry on the Debtor's business and for such purpose from time to time to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
- (b) make an assignment for the benefit of the Debtor's creditors or a proposal on behalf of the Debtor under *Bankruptcy and Insolvency Act* (Canada); and
- (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
- (d) make any arrangement or compromise that the Receiver deems expedient.

15.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as BDC, in its absolute discretion and to the full extent permitted by law, may direct as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and its own client basis) incurred by BDC respecting or incidental to:

- (i) the exercise by BDC of the rights and powers granted to it by this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to BDC of all principal and other monies (except interest) due in respect of the Obligations;
 - (c) in or toward payment to BDC of all interest remaining unpaid respecting the Obligations; and
 - (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING BDC

(You have granted this Security Agreement to BDC in consideration by BDC advancing funds or providing credit or a credit facility to you. BDC will not be responsible for debts or liabilities that may arise except to the extent that it agrees to be responsible or liable in this Security Agreement. If enforcement becomes necessary, BDC will act in good faith and in a commercially reasonable manner.)

16.1 To the full extent permitted by law, BDC shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when BDC shall manage the Collateral upon entry or seizure, nor shall BDC be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. BDC shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall BDC, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall BDC be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Debtor waives any provision of law permitted to be waived by it which imposes greater obligations upon BDC than described above.

16.2 Neither BDC nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of BDC, the Debtor or any other party respecting the Collateral. BDC shall also not be liable for any misconduct, negligence, misfeasance by BDC, the Receiver or any employee or agent of BDC or the Receiver, or for the exercise of the rights and remedies conferred upon BDC or the Receiver by this Security Agreement.

16.3 BDC or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Debtor, co-obligants, guarantors and others and with the Collateral and other securities as BDC may see fit without liability to BDC and without prejudice to BDC's rights respecting the Obligations or BDC's right to hold and realize the Collateral.

16.4 BDC in its sole discretion may realize upon any other security provided by the Debtor in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.

16.5 Any right of BDC and any obligation of the Debtor arising under any other agreements between BDC and the Debtor shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security Agreement. The obligation, if any, of the Debtor to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of BDC's commitment letter with the Debtor shall survive the signing and registration of this Security Agreement and BDC's advancement of any money to the Debtor and any legal fees, commitment fees, standby fees or administration fees owing by the Debtor shall be secured by the Collateral.

16.6 In the event that BDC registers a notice of assignment of Intellectual Property the Debtor shall be responsible for and shall indemnify BDC against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.

16.7 Notwithstanding any taking of possession of the Collateral, or any other action which BDC or the Receiver may take, the Debtor now covenants and agrees with BDC that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to BDC at the time of such disposition, the Debtor shall immediately pay to BDC an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Debtor agrees that BDC may bring action against the Debtor for payment of the deficiency, notwithstanding any defects or irregularities of BDC or the Receiver in enforcing its rights under this Security Agreement.

17. APPOINTMENT OF ATTORNEY

(You appoint BDC your attorney for specific matters.)

The Debtor hereby irrevocably appoints BDC or the Receiver, as the case may be, with full power of substitution, as the attorney of the Debtor for and in the name of the Debtor to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do everything necessary or incidental to the exercise of all or any of the powers conferred on BDC, or the Receiver, as the case may be, pursuant to this Security Agreement. This grant and authority shall continue and survive any mental infirmity or legal incapacity of the Debtor subsequent to the execution hereof.

18. CONSOLIDATION

(Should you wish to redeem the Security Interest, BDC may require you to also pay other obligations to it before discharging its Security Interests.)

For the purposes of the laws of all jurisdictions in Canada, the doctrine of consolidation applies to this Security Agreement.

19. NO OBLIGATION TO ADVANCE

(BDC determines, in the end, whether any advances or further advances under the loan facility will be made.)

Neither the preparation and execution of this Security Agreement nor the perfection of the Security Interests or the advance of any monies by BDC shall bind BDC to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of the Debtor to BDC.

20. WAIVER

(Indulgences granted by BDC should not be taken for granted.)

BDC may permit the Debtor to remedy any default without waiving the default so remedied. BDC may from time to time and at any time partially or completely waive any right, benefit or default under this Security Agreement but such waiver shall not be a bar to or a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default under this Security Agreement. No waiver shall be effective unless it is in writing and signed by BDC. No delay or omission on the part of BDC in exercising any right shall operate as a waiver of such right or any other right.

21. NOTICE

(This Clause describes how the various notices referred to in this Security Agreement may be given.)

Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided in this Security Agreement or at such other address as may be given in writing by one party to the other, and any notice if mailed shall be deemed to have been given at the expiration of three business days after mailing and if delivered, on delivery.

22. EXTENSIONS

(Your duties and responsibilities to BDC remain in place regardless of any concerns you may have about the loan facility or BDC's actions.)

BDC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Debtor, the Debtor's account debtors, sureties and others and with the Collateral and other security interests as BDC may see fit without prejudice to the Debtor's liability or BDC's right to hold and realize on the Security Interests.

23. NO MERGER

(Except as agreed upon in the Security Agreement or another contract specifically discussing this point, this Security Agreement is an independent obligation on your part.)

This Security Agreement shall not create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may be held by BDC now or in the future from the Debtor or from any other person. The taking of a judgment respecting any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

24. RIGHTS CUMULATIVE

(This Agreement describes some rights and remedies of BDC. BDC also is entitled to rely on all other rights and remedies available to it in law and in any other agreements it has entered into with you.)

BDC's rights and remedies set out in this Security Agreement, and in any other security agreement held by BDC from the Debtor or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained in this Security Agreement or any other security agreements is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and BDC that may be in effect from time to time.

25. ASSIGNMENT

(Should BDC assign or transfer or otherwise deal with this Security Agreement on its own behalf, you agree that the Security Agreement shall remain binding and effective upon you.)

BDC may, without notice to the Debtor, at any time assign or transfer, or grant a security interest in, all or any of the Obligations, this Security Agreement and the Security Interests. The Debtor agrees that the assignee, transferee or secured party, as the case may be, shall have all of BDC's rights and remedies under this Security Agreement and the Debtor will not assert as a defence, counterclaim, right of set-off or otherwise any claim which it now has or may acquire in the future against BDC in respect of any claim made or any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the assigned Obligations to the assignee, transferee or secured party, as the case may be, as the said Obligations become due.

26. SATISFACTION AND DISCHARGE

(Until this Security Agreement is terminated and any registrations relating to it are discharged, the Security Agreement will remain effective even though the indebtedness to BDC may have been paid.)

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to BDC shall not be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Debtor and, subject to applicable law, payment to BDC of an administrative fee to be fixed by BDC and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by BDC in connection with the Obligations and such release and discharge. The Debtor shall, subject to applicable law, pay an administrative fee, to be fixed by BDC, for the preparation or execution of any full or partial release or discharge by BDC of any security it holds, of the Debtor, or of any guarantor or covenantor with respect to any Obligations.

27. ENVIRONMENT

The Debtor represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Debtor's business or assets including without limitation the Collateral;
- (f) it will advise BDC immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide BDC with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Debtor and it consents to BDC contacting and making enquiries of environmental officials or assessors;
- (h) it will from time to time when requested by BDC provide to BDC evidence of its full compliance with the Debtor's obligations in this Clause 27.

28. ENUREMENT

This Security Agreement shall enure to the benefit of BDC and its successors and assigns, and shall be binding upon the Debtors and its heirs, executors, administrators, successors and any assigns permitted by BDC, as the case may be.

29. INTERPRETATION

29.1 In this Security Agreement:

- (a) "Collateral" has the meaning set out in Clause 1 and any reference to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to the Collateral in whole or in part;
- (b) "the Act" means the *Personal Property Security Act* of the province in which the business centre of BDC is located, as described on page 1 of this Security Agreement, and all regulations under the Act, as amended from time to time.

29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.

29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.

29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

29.5 This Security Agreement shall be governed by the laws of the province referred to in subclause 29.1(b). For

enforcement purposes, the Debtor hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which BDC enforces its rights and remedies hereunder.

30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) if the Act so permits, waives all rights to receive from BDC a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Security Agreement.

31. TIME

Time shall in all respects be of the essence.

32. INDEPENDENT ADVICE

The Debtor acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

33. PARENTHETICAL COMMENTS

The Debtor acknowledges and agrees that the comments in parentheses are intended to provide a brief but not thorough indication of the intent of the legal provisions that follow in each subsequent clause, and do not form part of this Security Agreement.

34. THE COMMITMENT LETTER

BDC has extended an offer of financing or a commitment letter to the Debtor relating to the loan facilities secured by this Security Agreement. The Debtor acknowledges and agrees that in the event of any discrepancy between any term of this Security Agreement and any term of the commitment letter, the terms of the commitment letter shall apply and take precedence over the terms of this Security Agreement.

IN WITNESS WHEREOF the Debtor has hereunto set his hand and seal or has affixed its corporate seal duly attested by the hand(s) of its proper officer(s) in that behalf, on the day and year first above written.



(Witness)

**STONE BROTHERS PLUMBING &
HEATING LIMITED**



Per. Jeffrey McDonald

SCHEDULE "A"

Subclause 1.1(a):

1. the following specific items, even though they may be included within the descriptions of Collateral (insert description by item or kind):


2. the following serial numbered goods:

Serial No. (re motor vehicles & trallers, etc.)	Year	Make and Model
--	-------------	-----------------------

3. Location(s) of the Collateral:

**609 Keltic Dr.
Sydney, NS**

This is Exhibit "F" to the affidavit of
Michelle Bursey, sworn before me
this 21st day of July, 2023



A Barrister of the Supreme Court
of Nova Scotia

MARC L.J. DUNNING
A Barrister of the Supreme
Court of Nova Scotia



GUARANTEE

LOAN #112496-02

GUARANTOR:	Lorne Aucoin Renovations Limited, 3069746 Nova Scotia Limited and Quality Metal Works Limited	the "Guarantor"
CREDITOR:	Business Development Bank of Canada	"BDC"
DEBTOR:	3298501 Nova Scotia Limited	the "Borrower"
DEBT:	\$195,500.00	the "Principal Sum"
LIMIT OF LIABILITY:	<u>100%</u> of the Outstanding Balance on the date BDC demands payment under this guarantee	the "Limited Amount"
DATED:	<u>April 27</u> _____, 2017.	
BDC BUSINESS CENTRE:	Nova Scotia (Province/Territory)	the "Governing Jurisdiction"

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF THE BANK OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;
- (g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;
- (h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;
- (i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and
- (j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

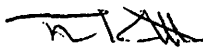
This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. The Bank may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.


Executed, Sealed and Delivered by

in the presence of:



John G. Khattar
John G. Khattar Law Office Inc.
463 Prince St., Sydney, NS B1P 6T7
Solicitor
(as to all signatures)

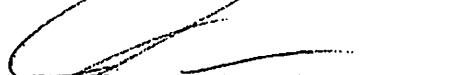
Lorne Aucoin Renovations Limited


Per: _____

3069746 Nova Scotia Limited

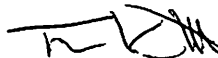

Per: _____

Quality Metal Works Limited


Per: _____

SOLICITOR'S CERTIFICATE

I certify that I subscribed to the execution of this instrument by the persons or person whose signature appears beside my subscription only after satisfying myself that the person read and understood this instrument, ascertaining that the person had received independent legal advice where necessary and seeing the instrument executed, sealed and delivered.



Solicitor

JOHN G. KHATTAR
A Barrister of the Supreme
Court of Nova Scotia



GUARANTEE

LOAN #112496-01

GUARANTOR:	Lorne Aucoin Renovations Limited, 3069746 Nova Scotia Limited and Quality Metal Works Limited	the "Guarantor"
CREDITOR:	Business Development Bank of Canada	"BDC"
DEBTOR:	3298501 Nova Scotia Limited	the "Borrower"
DEBT:	\$217,000.00	the "Principal Sum"
LIMIT OF LIABILITY:	<u>100%</u> of the Outstanding Balance on the date BDC demands payment under this guarantee	the "Limited Amount"
DATED:	<u>April 27</u>	, 2017.
BDC BUSINESS CENTRE:	Nova Scotia (Province/Territory)	the "Governing Jurisdiction"

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF THE BANK OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;
- (g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;
- (h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;
- (i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and
- (j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

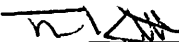
This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. The Bank may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.

Executed, Sealed and Delivered by

in the presence of:



John G. Khattar
John G. Khattar Law Office Inc.
463 Prince St., Sydney, NS B1P 6T7
Solicitor
(as to all signatures)

Lorne Aucoin Renovations Limited

Per. 

3069746 Nova Scotia Limited

Per. 

Quality Metal Works Limited

Per. 

SOLICITOR'S CERTIFICATE

I certify that I subscribed to the execution of this instrument by the persons or person whose signature appears beside my subscription only after satisfying myself that the person read and understood this instrument, ascertaining that the person had received independent legal advice where necessary and seeing the instrument executed, sealed and delivered.



Solicitor



GUARANTEE

LOAN #112496-02

GUARANTOR:	EZ Flow Plumbing and Heating Limited	the "Guarantor"
CREDITOR:	Business Development Bank of Canada	"BDC"
DEBTOR:	3298501 Nova Scotia Limited	the "Borrower"
DEBT:	\$195,500.00	the "Principal Sum"
LIMIT OF LIABILITY:	<u>100%</u> of the Outstanding Balance on the date BDC demands payment under this guarantee	the "Limited Amount"
DATED:	<u>April 27</u> _____, 2017.	
BDC BUSINESS CENTRE:	Nova Scotia (Province/Territory)	the "Governing Jurisdiction"

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF THE BANK OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;
- (g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;
- (h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;
- (i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and
- (j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. The Bank may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.

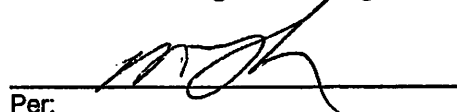
Executed, Sealed and Delivered by

in the presence of:



John G. Khattar
John G. Khattar Law Office Inc.
463 Prince St., Sydney, NS B1P 6T7
Solicitor
(as to all signatures)

EZ Flow Plumbing and Heating Limited



Per:

SOLICITOR'S CERTIFICATE

I certify that I subscribed to the execution of this instrument by the persons or person whose signature appears beside my subscription only after satisfying myself that the person read and understood this instrument, ascertaining that the person had received independent legal advice where necessary and seeing the instrument executed, sealed and delivered.



Solicitor

JOHN G. KHATTAR
A Barrister of the Supreme
Court of Nova Scotia

**GUARANTEE**LOAN #112496-01

GUARANTOR:	EZ Flow Plumbing and Heating Limited	the "Guarantor"
CREDITOR:	Business Development Bank of Canada	"BDC"
DEBTOR:	3298501 Nova Scotia Limited	the "Borrower"
DEBT:	\$217,000.00	the "Principal Sum"
LIMIT OF LIABILITY:	<u>100%</u> of the Outstanding Balance on the date BDC demands payment under this guarantee	the "Limited Amount"
DATED:	<u>April 27</u> _____	, 2017.
BDC BUSINESS CENTRE:	Nova Scotia (Province/Territory)	the "Governing Jurisdiction"

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF THE BANK OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;
- (g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;
- (h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;
- (i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and
- (j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. The Bank may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.


Executed, Sealed and Delivered by

in the presence of:



John G. Khattar
John G. Khattar Law Office Inc.
463 Prince St., Sydney, NS B1P 6T7
Solicitor
(as to all signatures)

EZ Flow Plumbing and Heating Limited



Per. _____

SOLICITOR'S CERTIFICATE

I certify that I subscribed to the execution of this instrument by the persons or person whose signature appears beside my subscription only after satisfying myself that the person read and understood this instrument, ascertaining that the person had received independent legal advice where necessary and seeing the instrument executed, sealed and delivered.



Solicitor

JOHN G. KHATTAR
Barrister of the Supreme
Court of Nova Scotia



GUARANTEE

LOAN #112496-01

GUARANTOR:	Jeffrey Garland McDonald & Marc Lionel Lamarche	the "Guarantor"
CREDITOR:	Business Development Bank of Canada	"BDC"
DEBTOR:	3298501 Nova Scotia Limited	the "Borrower"
DEBT:	\$195,500.00	the "Principal Sum"
LIMIT OF LIABILITY:	<u>100%</u> of the Outstanding Balance on the date BDC demands payment under this guarantee	the "Limited Amount"
DATED:	<u>April 27</u>	, 2017.
BDC BUSINESS CENTRE:	Nova Scotia (Province/Territory)	the "Governing Jurisdiction"

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF THE BANK OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;
- (g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;
- (h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;
- (i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and
- (j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS

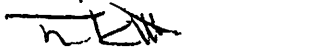
This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. The Bank may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.

Executed, Sealed and Delivered by

in the presence of:



John G. Khattar
John G. Khattar Law Office Inc.
463 Prince St., Sydney, NS B1P 6T7
Solicitor
(as to all signatures)



SOLICITOR'S CERTIFICATE

I certify that I subscribed to the execution of this instrument by the persons or person whose signature appears beside my subscription only after satisfying myself that the person read and understood this instrument, ascertaining that the person had received independent legal advice where necessary and seeing the instrument executed, sealed and delivered.



Solicitor

JOHN G. KHATTAR
A Barrister of the Supreme
Court of Nova Scotia



GUARANTEE

LOAN #112496-01

GUARANTOR:	Jeffrey Garland McDonald & Marc Lionel Lamarche	the "Guarantor"
CREDITOR:	Business Development Bank of Canada	"BDC"
DEBTOR:	3298501 Nova Scotia Limited	the "Borrower"
DEBT:	\$217,000.00	the "Principal Sum"
LIMIT OF LIABILITY:	<u>50%</u> of the Outstanding Balance on the date BDC demands payment under this guarantee	the "Limited Amount"
DATED:	<u>April 27</u>	, 2017.
BDC BUSINESS CENTRE:	Nova Scotia (Province/Territory)	the "Governing Jurisdiction"

IN CONSIDERATION of BDC agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with BDC as follows:

1. DEBT AND SECURITY

In this guarantee, "Loan Security" means all accepted letters of offer, loan agreements, promissory notes, debentures, mortgages, hypothecations, pledges, assignments and security agreements of any kind which BDC may hold at any time as security for the payment of the Principal Sum and all agreements amending, extending or renewing those security instruments. The Guarantor has read all of the Loan Security held by BDC as of the date of this guarantee.

2. GUARANTEE

The Guarantor unconditionally guarantees performance by the Borrower of all promises under the Loan Security and payment by the Borrower of the Principal Sum, protective disbursements, interest and other amounts the Borrower has promised to pay under the Loan Security (the foregoing amounts collectively are called the "Outstanding Balance"). The Guarantor also promises to pay to BDC all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon this guarantee. The liability of the Guarantor under this guarantee does not exceed the Limited Amount plus legal expenses plus interest on the Limited Amount at the rate provided under the Loan Security calculated and compounded monthly from the date BDC demands payment under this guarantee.

This guarantee shall be a continuing guarantee and the obligations guaranteed hereunder shall include all present and future indebtedness and liabilities of the Borrower to BDC under the Loan Security, of any nature whatsoever, and whether incurred by the Borrower alone or with others.

3. LIABILITY AS PRINCIPAL DEBTOR

As between BDC and the Guarantor, the Guarantor is liable as principal debtor for all of the Borrower's covenants contained in the Loan Security notwithstanding any act or omission of the Borrower or of BDC which might otherwise operate as a partial or absolute discharge of the Guarantor if the Guarantor were only a surety.

4. LIABILITY NOT DIMINISHED BY ACTS OF THE BANK OR THE BORROWER

Except for payment of all sums due under the Loan Security, payment of the amount due under this guarantee or written discharge, no act or omission of BDC or of the Borrower, before or after default, discharges or diminishes the liability of the Guarantor under this guarantee and without restricting the foregoing, the Guarantor covenants with BDC as follows:

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;
- (g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;
- (h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;
- (i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and
- (j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

5. SUBROGATION

The Guarantor shall not be subrogated in any manner to any right of BDC until all money due to BDC under the Loan Security is paid.

6. RELEASE

If more than one person guarantees any of the obligations of the Borrower to BDC under this guarantee or any other instrument, BDC may release any of those persons on any terms BDC chooses and each person executing this guarantee who has not been released shall remain liable to BDC under this guarantee as if the person so released had never guaranteed any of the obligations of the Borrower.

7. PAYMENT AND REMEDYING DEFAULTS

The Guarantor shall pay the amount guaranteed or rectify any default immediately upon receiving a demand from BDC and shall do so whether or not BDC has exhausted its recourses against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security. A demand is effectually made when a letter is posted to the address of the Guarantor last known to BDC.

8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS

Any agreement between BDC and the Guarantor diminishing the liability of the Guarantor under this guarantee, altering any term of this guarantee or imposing any condition against the operation of any such term is of no further force or effect. Any representation made by BDC having such effect is waived. The Guarantor warrants that there are no agreements, representations or conditions that have been relied upon by the Guarantor that are not expressed in this guarantee.

9. CHANGES MUST BE IN WRITING

This guarantee may only be amended by writing executed by BDC. No agreement has the effect of diminishing or discharging the liability of the Guarantor under this guarantee unless the agreement is in writing and executed by BDC. The Guarantor shall not rely upon any future representation made by BDC in respect of the liability of the Guarantor under this guarantee unless such representation is in writing executed by BDC.

10. JOINT AND SEVERAL LIABILITY

Where this guarantee has been executed by more than one person, the liability of the persons executing this guarantee is joint and several and every reference in this guarantee to the "Guarantor" shall be construed as meaning each person who has executed it as well as all of them. This guarantee is binding on those who have executed it notwithstanding that it may remain unexecuted by any other person.

11. JURISDICTION

The laws of the Governing Jurisdiction shall govern the enforcement of this Guarantee and the Guarantor agrees to submit to the jurisdiction of the Courts of the Governing Jurisdiction.

12. ASSIGNS


This guarantee is binding upon the Guarantor and the Guarantor's heirs, executors, administrators, successors and assigns and shall enure to the benefit of BDC, its successors and assigns. The Bank may assign this guarantee.

13. COUNTERPARTS

This guarantee may be executed in any number of counterparts each of which shall be deemed an original with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this guarantee by telecopy shall be effective as delivery of a manually executed counterpart of this guarantee.

Executed, Sealed and Delivered by

in the presence of:



 John G. Khattar
 John G. Khattar Law Office Inc.
 463 Prince St., Sydney, NS B1P 6T7
 Solicitor
 (as to all signatures)



 Jeffrey Garland McDonald



 Marc Lionel Lamarche

SOLICITOR'S CERTIFICATE

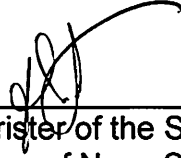
I certify that I subscribed to the execution of this instrument by the persons or person whose signature appears beside my subscription only after satisfying myself that the person read and understood this instrument, ascertaining that the person had received independent legal advice where necessary and seeing the instrument executed, sealed and delivered.



 Solicitor

JOHN G. KHATTAR
A Barrister of the Supreme
Court of Nova Scotia

This is Exhibit "G" to the affidavit of
Michelle Bursey, sworn before me
this 21st day of July, 2023



A Barrister of the Supreme Court
of Nova Scotia

MARC L.J. DUNNING
A Barrister of the Supreme
Court of Nova Scotia



REGISTERED MAIL RN 433 392 107 CA

September 23, 2022

Mr. Jeffrey McDonald
3298501 Nova Scotia Limited
609 Keltic Dr,
Sydney, NS B1L 1B6

Subject: **BDC Loans 112496**

Mr. McDonald:

You are in **DEFAULT** under the terms of the security for the subject loan and BDC hereby invokes the acceleration clause contained in the security and demands the repayment of the loans in full.

The amount due and payable on the date of this letter is:

Loan no.	112496-01	112496-02
Principal	\$168,144.00	\$17,526.94
Interest	\$1,091.94	\$138.36
Fees	\$35.00	\$35.00
TOTAL	\$169,270.94	\$17,700.30
Daily interest	\$48.80	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

If the sum is not received within 10 days from the date of this letter, BDC shall take such action as may be necessary to enforce its rights as set out in the security.

We enclose the Form 86 Notice of Intention to Enforce Security pursuant to Subsection 244(l) of the *Bankruptcy and Insolvency Act*.

Yours truly,

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

Encl.

CC: Stone Brothers Plumbing, Lorne Aucoin Renovations Limited, 3069746 Nova Scotia Limited, Quality Metal Works Limited, EZ Flow Plumbing and Heating Limited, Jeffrey Garland McDonald and Marc Lionel Lamarche, Guarantors



September 23, 2022

FORM 86

***Notice of Intention to Enforce a Security
(Rule 124)***

To: **3298501 Nova Scotia Limited**, an insolvent person.
Take notice that:

1. Business Development Bank of Canada, a secured creditor, intends to enforce its security on the insolvent person's property described below:

All personal property of the insolvent person except consumer goods.

2. The security that is to be enforced is in the form of a General Security Agreement.
3. The total amount of the indebtedness secured by the security is \$169,270.94 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 3.00% per annum compounded monthly and all costs and charges of enforcement.
4. The total amount of the indebtedness secured by the security is \$17,700.30 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 4.00% per annum compounded monthly and all costs and charges of enforcement.
5. The secured creditor will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Moncton, NB, this 23rd day of September, 2022.

BUSINESS DEVELOPMENT BANK OF CANADA

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

**CONSENT AND WAIVER**

THE UNDERSIGNED hereby:

1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the Bankruptcy and Insolvency Act; and
3. Consents to the immediate enforcement by Business Development Bank of Canada of the Security referred to in the above Form 86 Notice.

DATED at _____, _____, this ____ day of _____, 202__.

Per:

Authorized Signatory



REGISTERED MAIL RN 433 392 098 CA

September 23, 2022

Mr. Marc Lamarche
 Stone Brothers Plumbing & Heating Limited
 609 Keltic Drive
 Sydney, NS B1L 1B6

Subject: 3298501 Nova Scotia Limited - BDC Loans 112496

Mr. Lamarche:

We enclose herewith a copy of our notice of our demand addressed to the above named borrower, which you will find self-explanatory.

As you are aware, BDC holds corporate guarantees from your company as underlying security for the above loans. We remind you that pursuant to the terms of the guarantees, BDC is not required to realize on the assets of the borrower mortgaged to BDC before making demand for payment upon you as the guarantor.

This letter constitutes demand upon you for the satisfaction of your guarantee obligation, concurrent with BDC's demand upon the company, and, if the indebtedness to BDC is not settled within 10 days from date of this letter, we propose to take such action as may be necessary for collection thereof.

Loan No.	112496-01	112496-02
Guarantee Detail	Full loan outstanding	Full loan outstanding
Guarantee Amount Now Due	\$169,270.94	\$17,700.30
Daily interest on the guarantee amount	\$48.60	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

We enclose the Form 86 Notice of Intention to Enforce Security pursuant to Subsection 244(I) of the *Bankruptcy and Insolvency Act*.

Yours truly,

Brigitte Dupuis

Brigitte Dupuis
 Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
 Senior Account Manager, Special Accounts
 T: 902-895-6378
 E: michelle.bursey@bdc.ca

Encl.

Business Development Bank of Canada
 Special Accounts
 1234 Main Street, 5th Floor
 Moncton, NB E1C 1H7

Banque de développement du Canada
 Comptes spéciaux
 1234 rue Main, 5^e étage
 Moncton, NB E1C 1H7

T 1 888 Info-BDC
 F 506 851-6836
 www.bdc.ca



September 23, 2022

FORM 86

Notice of Intention to Enforce a Security
(Rule 124)

To: **Stone Brothers Plumbing and Heating Ltd**, an insolvent person.
Take notice that:

1. Business Development Bank of Canada, a secured creditor, intends to enforce its security on the insolvent person's property described below:

All personal property of the insolvent person except consumer goods.

Land and building located at 609 Keltic Drive, Sydney, NS

2. The security that is to be enforced is in the form of a General Security Agreement.
3. The total amount of the indebtedness secured by the security is \$169,270.94 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 3.00% per annum compounded monthly and all costs and charges of enforcement.
4. The total amount of the indebtedness secured by the security is \$17,700.30 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 4.00% per annum compounded monthly and all costs and charges of enforcement.
5. The secured creditor will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Moncton, NB, this 23rd day of September, 2022.

BUSINESS DEVELOPMENT BANK OF CANADA

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca



CONSENT AND WAIVER

THE UNDERSIGNED hereby:

1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the Bankruptcy and Insolvency Act; and
3. Consents to the immediate enforcement by Business Development Bank of Canada of the Security referred to in the above Form 86 Notice.

DATED at _____, _____, this ____ day of _____, 202__.

Per:

Authorized Signatory



REGISTERED MAIL RN 433 392 107 CA

September 23, 2022

Mr. Jeffrey McDonald
3298501 Nova Scotia Limited
609 Keltic Dr,
Sydney, NS B1L 1B6

Subject: BDC Loans 112496

Mr. McDonald:

You are in DEFAULT under the terms of the security for the subject loan and BDC hereby invokes the acceleration clause contained in the security and demands the repayment of the loans in full.

The amount due and payable on the date of this letter is:

Loan no.	112496-01	112496-02
Principal	\$168,144.00	\$17,526.94
Interest	\$1,091.94	\$138.36
Fees	\$35.00	\$35.00
TOTAL	\$169,270.94	\$17,700.30
Daily interest	\$48.60	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

If the sum is not received within 10 days from the date of this letter, BDC shall take such action as may be necessary to enforce its rights as set out in the security.

We enclose the Form 86 Notice of Intention to Enforce Security pursuant to Subsection 244(I) of the *Bankruptcy and Insolvency Act*.

Yours truly,

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

Encl.

CC: Stone Brothers Plumbing, Lorne Aucoin Renovations Limited, 3069746 Nova Scotia Limited, Quality Metal Works Limited, EZ Flow Plumbing and Heating Limited, Jeffrey Garland McDonald and Marc Lionel Lamarche, Guarantors



September 23, 2022

FORM 86

***Notice of Intention to Enforce a Security
(Rule 124)***

To: **3298501 Nova Scotia Limited**, an insolvent person.
Take notice that:

1. Business Development Bank of Canada, a secured creditor, intends to enforce its security on the insolvent person's property described below:

All personal property of the insolvent person except consumer goods.

2. The security that is to be enforced is in the form of a General Security Agreement.
3. The total amount of the indebtedness secured by the security is \$169,270.94 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 3.00% per annum compounded monthly and all costs and charges of enforcement.
4. The total amount of the indebtedness secured by the security is \$17,700.30 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 4.00% per annum compounded monthly and all costs and charges of enforcement.
5. The secured creditor will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Moncton, NB, this 23rd day of September, 2022.

BUSINESS DEVELOPMENT BANK OF CANADA

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca



CONSENT AND WAIVER

THE UNDERSIGNED hereby:

1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the Bankruptcy and Insolvency Act; and
3. Consents to the immediate enforcement by Business Development Bank of Canada of the Security referred to in the above Form 86 Notice.

DATED at _____, _____, this ____ day of _____, 202__.

Per:

Authorized Signatory



REGISTERED MAIL RN 433 392 084 CA

September 23, 2022

Mr. Jeffrey McDonald
Lorne Aucoin Renovations Limited
1220 Upper Prince Street
Sydney, NS B1P 5P8

Subject: 3298501 Nova Scotia Limited - BDC Loans 112496

Mr. McDonald:

We enclose herewith a copy of our notice of our demand addressed to the above named borrower, which you will find self-explanatory.

As you are aware, BDC holds corporate guarantees from your company as underlying security for the above loans. We remind you that pursuant to the terms of the guarantees, BDC is not required to realize on the assets of the borrower mortgaged to BDC before making demand for payment upon you as the guarantor.

This letter constitutes demand upon you for the satisfaction of your guarantee obligation, concurrent with BDC's demand upon the company, and, if the indebtedness to BDC is not settled within 10 days from date of this letter, we propose to take such action as may be necessary for collection thereof.

Loan No.	112496-01	112496-02
Guarantee Detail	Full loan outstanding	Full loan outstanding
Guarantee Amount Now Due	\$169,270.94	\$17,700.30
Daily interest on the guarantee amount	\$48.60	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

Yours truly,

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

Encl.



REGISTERED MAIL RN 433 392 107 CA

September 23, 2022

Mr. Jeffrey McDonald
3298501 Nova Scotia Limited
609 Keltic Dr,
Sydney, NS B1L 1B6

Subject: BDC Loans 112496

Mr. McDonald:

You are in DEFAULT under the terms of the security for the subject loan and BDC hereby invokes the acceleration clause contained in the security and demands the repayment of the loans in full.

The amount due and payable on the date of this letter is:

Loan no.	112496-01	112496-02
Principal	\$168,144.00	\$17,526.94
Interest	\$1,091.94	\$138.36
Fees	\$35.00	\$35.00
TOTAL	\$169,270.94	\$17,700.30
Daily interest	\$48.60	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

If the sum is not received within 10 days from the date of this letter, BDC shall take such action as may be necessary to enforce its rights as set out in the security.

We enclose the Form 86 Notice of Intention to Enforce Security pursuant to Subsection 244(l) of the *Bankruptcy and Insolvency Act*.

Yours truly,

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

Encl.

CC: Stone Brothers Plumbing, Lorne Aucoin Renovations Limited, 3069746 Nova Scotia Limited, Quality Metal Works Limited, EZ Flow Plumbing and Heating Limited, Jeffrey Garland McDonald and Marc Lionel Lamarche, Guarantors



September 23, 2022

FORM 86

***Notice of Intention to Enforce a Security
(Rule 124)***

To: **3298501 Nova Scotia Limited**, an insolvent person.
Take notice that:

1. Business Development Bank of Canada, a secured creditor, intends to enforce its security on the insolvent person's property described below:

All personal property of the insolvent person except consumer goods.

2. The security that is to be enforced is in the form of a General Security Agreement.
3. The total amount of the indebtedness secured by the security is \$169,270.94 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 3.00% per annum compounded monthly and all costs and charges of enforcement.
4. The total amount of the indebtedness secured by the security is \$17,700.30 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 4.00% per annum compounded monthly and all costs and charges of enforcement.
5. The secured creditor will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Moncton, NB, this 23rd day of September, 2022.

BUSINESS DEVELOPMENT BANK OF CANADA

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca



CONSENT AND WAIVER

THE UNDERSIGNED hereby:

1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the Bankruptcy and Insolvency Act; and
3. Consents to the immediate enforcement by Business Development Bank of Canada of the Security referred to in the above Form 86 Notice.

DATED at _____, _____, this ____ day of _____, 202__.

Per:

Authorized Signatory



REGISTERED MAIL RN 433 392 075 CA

September 23, 2022

Mr. Jeffrey McDonald
3069746 Nova Scotia Limited
65 Kent Crt
Sydney, NS B1L 1C1

Subject: 3298501 Nova Scotia Limited - BDC Loans 112496

Mr. McDonald:

We enclose herewith a copy of our notice of our demand addressed to the above named borrower, which you will find self-explanatory.

As you are aware, BDC holds corporate guarantees from your company as underlying security for the above loans. We remind you that pursuant to the terms of the guarantees, BDC is not required to realize on the assets of the borrower mortgaged to BDC before making demand for payment upon you as the guarantor.

This letter constitutes demand upon you for the satisfaction of your guarantee obligation, concurrent with BDC's demand upon the company, and, if the indebtedness to BDC is not settled within 10 days from date of this letter, we propose to take such action as may be necessary for collection thereof.

Loan No.	112496-01	112496-02
Guarantee Detail	Full loan outstanding	Full loan outstanding
Guarantee Amount Now Due	\$169,270.94	\$17,700.30
Daily interest on the guarantee amount	\$48.60	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

Yours truly,

Brigitte Dupuis
Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey
Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

Encl.



REGISTERED MAIL RN 433 392 107 CA

September 23, 2022

Mr. Jeffrey McDonald
3298501 Nova Scotia Limited
609 Keltic Dr,
Sydney, NS B1L 1B6

Subject: **BDC Loans 112496**

Mr. McDonald:

You are in **DEFAULT** under the terms of the security for the subject loan and BDC hereby invokes the acceleration clause contained in the security and demands the repayment of the loans in full.

The amount due and payable on the date of this letter is:

Loan no.	112496-01	112496-02
Principal	\$168,144.00	\$17,526.94
Interest	\$1,091.94	\$138.36
Fees	\$35.00	\$35.00
TOTAL	\$169,270.94	\$17,700.30
Daily interest	\$48.60	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

If the sum is not received within 10 days from the date of this letter, BDC shall take such action as may be necessary to enforce its rights as set out in the security.

We enclose the Form 86 Notice of Intention to Enforce Security pursuant to Subsection 244(l) of the *Bankruptcy and Insolvency Act*.

Yours truly,

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

Encl.

CC: Stone Brothers Plumbing, Lorne Aucoin Renovations Limited, 3069746 Nova Scotia Limited, Quality Metal Works Limited, EZ Flow Plumbing and Heating Limited, Jeffrey Garland McDonald and Marc Lionel Lamarche, Guarantors



September 23, 2022

FORM 86

***Notice of Intention to Enforce a Security
(Rule 124)***

To: **3298501 Nova Scotia Limited**, an insolvent person.
Take notice that:

1. Business Development Bank of Canada, a secured creditor, intends to enforce its security on the insolvent person's property described below:

All personal property of the insolvent person except consumer goods.

2. The security that is to be enforced is in the form of a General Security Agreement.
3. The total amount of the indebtedness secured by the security is \$169,270.94 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 3.00% per annum compounded monthly and all costs and charges of enforcement.
4. The total amount of the indebtedness secured by the security is \$17,700.30 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 4.00% per annum compounded monthly and all costs and charges of enforcement.
5. The secured creditor will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Moncton, NB, this 23rd day of September, 2022.

BUSINESS DEVELOPMENT BANK OF CANADA

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca



CONSENT AND WAIVER

THE UNDERSIGNED hereby:

1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the Bankruptcy and Insolvency Act; and
3. Consents to the immediate enforcement by Business Development Bank of Canada of the Security referred to in the above Form 86 Notice.

DATED at _____, _____, this ____ day of _____, 202__.

Per:

Authorized Signatory



REGISTERED MAIL RN 433 392 393 CA

September 23, 2022

Mr. Jeffrey McDonald
Quality Metal Works Limited
161 Tometary Drive
Howie Center, NS B1L 1G3

Subject: 3298501 Nova Scotia Limited - BDC Loans 112496

Mr. McDonald:

We enclose herewith a copy of our notice of our demand addressed to the above named borrower, which you will find self-explanatory.

As you are aware, BDC holds corporate guarantees from your company as underlying security for the above loans. We remind you that pursuant to the terms of the guarantees, BDC is not required to realize on the assets of the borrower mortgaged to BDC before making demand for payment upon you as the guarantor.

This letter constitutes demand upon you for the satisfaction of your guarantee obligation, concurrent with BDC's demand upon the company, and, if the indebtedness to BDC is not settled within 10 days from date of this letter, we propose to take such action as may be necessary for collection thereof.

Loan No.	112496-01	112496-02
Guarantee Detail	Full loan outstanding	Full loan outstanding
Guarantee Amount Now Due	\$169,270.94	\$17,700.30
Daily interest on the guarantee amount	\$48.60	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

Yours truly,

Brigitte Dupuis
Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey
Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

Encl.



REGISTERED MAIL RN 433 392 107 CA

September 23, 2022

Mr. Jeffrey McDonald
3298501 Nova Scotia Limited
609 Keltic Dr,
Sydney, NS B1L 1B6

Subject: **BDC Loans 112496**

Mr. McDonald:

You are in **DEFAULT** under the terms of the security for the subject loan and BDC hereby invokes the acceleration clause contained in the security and demands the repayment of the loans in full.

The amount due and payable on the date of this letter is:

Loan no.	112496-01	112496-02
Principal	\$168,144.00	\$17,526.94
Interest	\$1,091.94	\$138.36
Fees	\$35.00	\$35.00
TOTAL	\$169,270.94	\$17,700.30
Daily interest	\$48.60	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

If the sum is not received within 10 days from the date of this letter, BDC shall take such action as may be necessary to enforce its rights as set out in the security.

We enclose the Form 86 Notice of Intention to Enforce Security pursuant to Subsection 244(l) of the *Bankruptcy and Insolvency Act*.

Yours truly,

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

Encl.

CC: Stone Brothers Plumbing, Lorne Aucoin Renovations Limited, 3069746 Nova Scotia Limited, Quality Metal Works Limited, EZ Flow Plumbing and Heating Limited, Jeffrey Garland McDonald and Marc Lionel Lamarche, Guarantors



September 23, 2022

FORM 86

***Notice of Intention to Enforce a Security
(Rule 124)***

To: **3298501 Nova Scotia Limited**, an insolvent person.
Take notice that:

1. Business Development Bank of Canada, a secured creditor, intends to enforce its security on the insolvent person's property described below:

All personal property of the insolvent person except consumer goods.

2. The security that is to be enforced is in the form of a General Security Agreement.
3. The total amount of the indebtedness secured by the security is \$169,270.94 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 3.00% per annum compounded monthly and all costs and charges of enforcement.
4. The total amount of the indebtedness secured by the security is \$17,700.30 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 4.00% per annum compounded monthly and all costs and charges of enforcement.
5. The secured creditor will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Moncton, NB, this 23rd day of September, 2022.

BUSINESS DEVELOPMENT BANK OF CANADA

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca



CONSENT AND WAIVER

THE UNDERSIGNED hereby:

1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the Bankruptcy and Insolvency Act; and
3. Consents to the immediate enforcement by Business Development Bank of Canada of the Security referred to in the above Form 86 Notice.

DATED at _____, _____, this ____ day of _____, 202__.

Per:

Authorized Signatory



REGISTERED MAIL RN 433 392 053 CA

September 23, 2022

Mr. Marc Lamarche
EZ Flow Plumbing and Heating Limited
510 George Street
New Waterford, NS B1H 4E1

Subject: 3298501 Nova Scotia Limited - BDC Loans 112496

Mr. Lamarche:

We enclose herewith a copy of our notice of our demand addressed to the above named borrower, which you will find self-explanatory.

As you are aware, BDC holds corporate guarantees from your company as underlying security for the above loans. We remind you that pursuant to the terms of the guarantees, BDC is not required to realize on the assets of the borrower mortgaged to BDC before making demand for payment upon you as the guarantor.

This letter constitutes demand upon you for the satisfaction of your guarantee obligation, concurrent with BDC's demand upon the company, and, if the indebtedness to BDC is not settled within 10 days from date of this letter, we propose to take such action as may be necessary for collection thereof.

Loan No.	112496-01	112496-02
Guarantee Detail	Full loan outstanding	Full loan outstanding
Guarantee Amount Now Due	\$169,270.94	\$17,700.30
Daily interest on the guarantee amount	\$48.60	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

Yours truly,

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

Encl.



REGISTERED MAIL RN 433 392 036 CA

September 23, 2022

Mr. Jeffrey McDonald
65 Kent Crt
Sydney NS B1L 1C1

Subject: 3298501 Nova Scotia Limited - BDC Loans 112496

Mr. McDonald:

We enclose herewith a copy of our notice of our demand addressed to the above named borrower, which you will find self-explanatory.

As you are aware, BDC holds corporate guarantees from your company as underlying security for the above loans. We remind you that pursuant to the terms of the guarantees, BDC is not required to realize on the assets of the borrower mortgaged to BDC before making demand for payment upon you as the guarantor.

This letter constitutes demand upon you for the satisfaction of your guarantee obligation, concurrent with BDC's demand upon the company, and, if the indebtedness to BDC is not settled within 10 days from date of this letter, we propose to take such action as may be necessary for collection thereof.

Loan No.	112496-01	112496-02
Guarantee Detail	50% of the loan outstanding at demand	Full loan outstanding
Guarantee Amount Now Due	\$84,635.47	\$17,700.30
Daily interest on the guarantee amount	\$24.30	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

Yours truly,

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

Encl.



REGISTERED MAIL RN 433 392 107 CA

September 23, 2022

Mr. Jeffrey McDonald
3298501 Nova Scotia Limited
609 Keltic Dr,
Sydney, NS B1L 1B6

Subject: **BDC Loans 112496**

Mr. McDonald:

You are in **DEFAULT** under the terms of the security for the subject loan and BDC hereby invokes the acceleration clause contained in the security and demands the repayment of the loans in full.

The amount due and payable on the date of this letter is:

Loan no.	112496-01	112496-02
Principal	\$168,144.00	\$17,526.94
Interest	\$1,091.94	\$138.36
Fees	\$35.00	\$35.00
TOTAL	\$169,270.94	\$17,700.30
Daily interest	\$48.80	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

If the sum is not received within 10 days from the date of this letter, BDC shall take such action as may be necessary to enforce its rights as set out in the security.

We enclose the Form 86 Notice of Intention to Enforce Security pursuant to Subsection 244(l) of the *Bankruptcy and Insolvency Act*.

Yours truly,

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

Encl.

CC: Stone Brothers Plumbing, Lorne Aucoin Renovations Limited, 3069746 Nova Scotia Limited, Quality Metal Works Limited, EZ Flow Plumbing and Heating Limited, Jeffrey Garland McDonald and Marc Lionel Lamarche, Guarantors



September 23, 2022

FORM 86

***Notice of Intention to Enforce a Security
(Rule 124)***

To: **3298501 Nova Scotia Limited**, an insolvent person.
Take notice that:

1. **Business Development Bank of Canada**, a secured creditor, intends to enforce its security on the insolvent person's property described below:

All personal property of the insolvent person except consumer goods.

2. The security that is to be enforced is in the form of a **General Security Agreement**.
3. The total amount of the indebtedness secured by the security is **\$169,270.94** as at **September 23, 2022** with interest thereafter at the Bank's floating base rate plus **3.00%** per annum compounded monthly and all costs and charges of enforcement.
4. The total amount of the indebtedness secured by the security is **\$17,700.30** as at **September 23, 2022** with interest thereafter at the Bank's floating base rate plus **4.00%** per annum compounded monthly and all costs and charges of enforcement.
5. The secured creditor will not have the right to enforce the security until after the expiration of the **10-day** period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Moncton, NB, this 23rd day of September, 2022.

BUSINESS DEVELOPMENT BANK OF CANADA

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca



CONSENT AND WAIVER

THE UNDERSIGNED hereby:

1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the Bankruptcy and Insolvency Act; and
3. Consents to the immediate enforcement by Business Development Bank of Canada of the Security referred to in the above Form 86 Notice.

DATED at _____, _____, this ____ day of _____, 202__.

Per:

Authorized Signatory



REGISTERED MAIL RN 433 392 040 CA

September 23, 2022

Mr. Marc Lamarche
510 George Street
New Waterford NS B1H 4E1

Subject: 3298501 Nova Scotia Limited - BDC Loans 112496

Mr. Lamarche:

We enclose herewith a copy of our notice of our demand addressed to the above named borrower, which you will find self-explanatory.

As you are aware, BDC holds corporate guarantees from your company as underlying security for the above loans. We remind you that pursuant to the terms of the guarantees, BDC is not required to realize on the assets of the borrower mortgaged to BDC before making demand for payment upon you as the guarantor.

This letter constitutes demand upon you for the satisfaction of your guarantee obligation, concurrent with BDC's demand upon the company, and, if the indebtedness to BDC is not settled within 10 days from date of this letter, we propose to take such action as may be necessary for collection thereof.

Loan No.	112496-01	112496-02
Guarantee Detail	50% of the loan outstanding at demand	Full loan outstanding
Guarantee Amount Now Due	\$84,635.47	\$17,700.30
Daily interest on the guarantee amount	\$24.30	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

Yours truly,

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

Encl.



REGISTERED MAIL RN 433 392 107 CA

September 23, 2022

Mr. Jeffrey McDonald
3298501 Nova Scotia Limited
609 Keltic Dr,
Sydney, NS B1L 1B6

Subject: BDC Loans 112496

Mr. McDonald:

You are in **DEFAULT** under the terms of the security for the subject loan and BDC hereby invokes the acceleration clause contained in the security and demands the repayment of the loans in full.

The amount due and payable on the date of this letter is:

Loan no.	112496-01	112496-02
Principal	\$168,144.00	\$17,526.94
Interest	\$1,091.94	\$138.36
Fees	\$35.00	\$35.00
TOTAL	\$169,270.94	\$17,700.30
Daily interest	\$48.80	\$5.54

Daily interest is required up to and including the date of payment. Interest is compounded monthly and the daily interest amount will increase as a result.

If the sum is not received within 10 days from the date of this letter, BDC shall take such action as may be necessary to enforce its rights as set out in the security.

We enclose the Form 86 Notice of Intention to Enforce Security pursuant to Subsection 244(l) of the *Bankruptcy and Insolvency Act*.

Yours truly,

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

Encl.

CC: Stone Brothers Plumbing, Lorne Aucoin Renovations Limited, 3069746 Nova Scotia Limited, Quality Metal Works Limited, EZ Flow Plumbing and Heating Limited, Jeffrey Garland McDonald and Marc Lionel Lamarche, Guarantors



September 23, 2022

FORM 86

***Notice of Intention to Enforce a Security
(Rule 124)***

To: **3298501 Nova Scotia Limited**, an insolvent person.
Take notice that:

1. Business Development Bank of Canada, a secured creditor, intends to enforce its security on the insolvent person's property described below:

All personal property of the insolvent person except consumer goods.

2. The security that is to be enforced is in the form of a General Security Agreement.
3. The total amount of the indebtedness secured by the security is \$169,270.94 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 3.00% per annum compounded monthly and all costs and charges of enforcement.
4. The total amount of the indebtedness secured by the security is \$17,700.30 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 4.00% per annum compounded monthly and all costs and charges of enforcement.
5. The secured creditor will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Moncton, NB, this 23rd day of September, 2022.

BUSINESS DEVELOPMENT BANK OF CANADA

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca



CONSENT AND WAIVER

THE UNDERSIGNED hereby:

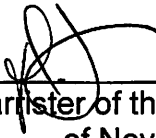
1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the Bankruptcy and Insolvency Act; and
3. Consents to the immediate enforcement by Business Development Bank of Canada of the Security referred to in the above Form 86 Notice.

DATED at _____, _____, this ____ day of _____, 202__.

Per:

Authorized Signatory

This is Exhibit "H" to the affidavit of
Michelle Bursey, sworn before me
this 21st day of July, 2023



A Barrister of the Supreme Court
of Nova Scotia

MARC L.J. DUNNING
A Barrister of the Supreme
Court of Nova Scotia

Client Number 112496



C/A Number 11249601

Description	Value
PRINCIPAL EXCLUDING ARREARS	0.00
PRINCIPAL ARREARS	168,144.00
INTEREST	17,923.30
ACCRUED TO	2023-07-20
ANNUAL ADMINISTRATION FEE	350.00
NSF FEE	35.00
PROTECTIVE DISBURSEMENT	7,846.32
INTEREST ON PROTECTIVE DISBURSEMENT	226.52
Total	194,525.14

Description	Value
TAX ACCOUNT	0.00
DEPOSIT ACCOUNT WITH INTERESTS	0.00
DEPOSIT ACCOUNT WITHOUT INTERESTS	0.00
Total Deposit	0.00
Total Net	194,525.14
DAILY INTEREST ACCRUAL	56.66
DAILY IOI ACCRUAL	5.60
INTEREST RATE PLAN	Daily float
SPECIAL INTEREST RATE TYPE	STD
EFFECTIVE BASE RATE	9.300000 %
VARIANCE RATE	3.000000 %
INTEREST ADJUSTMENT DATE	
PROT.DISB. - DAILY INTEREST ACCRUAL	2.64
PROT.DISB. - DAILY IOI ACCRUAL	0.05
OPTION EXPIRY DATE	2023-07-20

Disclaimers:

1. Payout figures do not include: Prepayment indemnity, interest differential, net present value of premiums and royalties and the amount of the option. For these calculations, refer to the Letter of Offer of Credit, Letters of Amendment, Circulars and the revised Calculus software.
2. Escrow account balances must be analyzed internally before confirming the total payout figures to the borrower.
3. Floating Plan: Daily interest accrual subject to operational rate change.

Client Number 112496



C/A Number 11249602

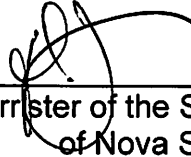
Description	Value
PRINCIPAL EXCLUDING ARREARS	0.00
PRINCIPAL ARREARS	17,526.94
INTEREST	2,054.37
ACCRUED TO	2023-07-20
NSF FEE	35.00
PROTECTIVE DISBURSEMENT	0.00
INTEREST ON PROTECTIVE DISBURSEMENT	0.00
Total	19,616.31

Description	Value
TAX ACCOUNT	0.00
DEPOSIT ACCOUNT WITH INTERESTS	0.00
DEPOSIT ACCOUNT WITHOUT INTERESTS	0.00
Total Deposit	0.00
Total Net	19,616.31
DAILY INTEREST ACCRUAL	6.38
DAILY IOI ACCRUAL	0.69
INTEREST RATE PLAN	Daily float
SPECIAL INTEREST RATE TYPE	STD
EFFECTIVE BASE RATE	9.300000 %
VARIANCE RATE	4.000000 %
INTEREST ADJUSTMENT DATE	
PROT.DISB. - DAILY INTEREST ACCRUAL	0.00
OPTION EXPIRY DATE	2023-07-20

Disclaimers:

1. Payout figures do not include: Prepayment indemnity, interest differential, net present value of premiums and royalties and the amount of the option. For these calculations, refer to the Letter of Offer of Credit, Letters of Amendment, Circulars and the revised Calculus software.
2. Escrow account balances must be analyzed internally before confirming the total payout figures to the borrower.
3. Floating Plan: Daily interest accrual subject to operational rate change.

This is Exhibit "I" to the affidavit of
Michelle Bursey, sworn before me
this 21st day of July, 2023



A Barrister of the Supreme Court
of Nova Scotia

MARC L.J. DUNNING
A Barrister of the Supreme
Court of Nova Scotia



A SHORT NARRATIVE REPORT

of the

MARKET VALUE
of

**609 KELTIC DRIVE, COXHEATH
CAPE BRETON REGIONAL MUNICIPALITY, NS**

As of

February 1, 2023

Prepared For

BDC

Attention: Brigitte Dupuis, Analyst Special Accounts

By

Gregory J. Ratchford, AACI, P.App.

Professional Appraiser NSREAA # 091950

134 Charlotte St., Sydney, NS B1P 1C3 Ph: 902 565-8232 Email: app@ns.sympatico.ca

Website: <https://www.gratchford.ca>

Commercial, Industrial, Agriculture Real Estate Appraisers & Consultants



February 6, 2023

BDC

Attention: Brigitte Dupuis, Analyst Special Accounts

**Re: 609 Keltic Drive, Coxheath, Cape Breton Regional Municipality, NS
Our File No. 02-01-23.**

This is a Short Narrative Report, which is intended to comply with the reporting requirements set forth under the Appraisal Standards Rules of the Canadian Uniform Standards for a Short Narrative Report. As such it presents only summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraiser's opinion of value. Some supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

Commercial, Industrial, Agriculture Real Estate Appraisers & Consultants

Purpose of Appraisal

Estimate market value

Intended Use of Report

To be used by the client for internal purposes.

Date of Inspection

February 1, 2023

Effective Date of Report

February 1, 2023

Scope of Appraisal

In preparing this appraisal, the appraiser inspected the subject property on February 1, 2023. The Direct Comparison Approach was employed to value the property. Information on building sales was gathered, confirmed, and analysed by Gregory J. Ratchford, AACI, P.App. The area considered is the Cape Breton Regional Municipality and Westville, mainland Nova Scotia from which data was collected. As well it is this market in which the subject would trade. The Cost Approach was not considered in estimating value of the subject property, due to the inherent weaknesses in the approach in estimating physical and external depreciation, as well as that the appraiser is not aware of any recent comparable land sales.

Commercial, Industrial, Agriculture Real Estate Appraisers & Consultants

Scope of Appraisal Cont'd

The Income Approach was not considered in estimating value of the subject property, as it is vacant without rents and related expenses. The Short Narrative Report is a brief recapitulation of the appraiser's data, analysis, and conclusions. Some supporting documentation may be retained in the appraiser's file at G. Ratchford & Associates Appraisers Inc.

Interest Valued

Fee Simple.

Sales History

MLS data does not record subject property listed for sale, agreements to purchase and sale or options to purchase through the preceding five years.

Definition of Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale at a specified date and the passing of title from seller to buyer under conditions whereby; (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, with each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property

Commercial, Industrial, Agriculture Real Estate Appraisers & Consultants

Definition of Market Value Cont'd

sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Exposure Time

Indicated exposure time: 3+- months.

Marketing Time

Indicated marketing time: 3+- months.

Lease Arrangements

Not applicable.

Assessment and Taxes - 2023

Assessment 114,700 Commercial Taxable

Taxes - \$5,806

Services

Owner reports subject property is serviced by a private well and septic disposal system.

Location Description

The subject building is situated on lot PID 15221542.

The subject property is situated on the north western side of Keltic Drive, Cape Breton Regional Municipality, NS. Development in the immediate area consists of a variety of commercial applications and some residential dwellings.

Keltic Drive connects to Kings Road at its southern extremity and Campbell's Road at its northern extremity. Located on Keltic Drive the subject is exposed to considerable vehicular traffic and good exposure, by motorists commuting to other areas of Keltic Drive, Sydney, Point Edward and North Sydney. The area in which the subject is located is approx., 90 percent developed.

Property values on Keltic Drive are expected to be stable over the next few years.

Site Description

The following description was derived, as per Nova Scotia Property On-line records.

Schedule A outlines lot with 80 feet frontage on Keltic Drive. Lot contains 16,640 square feet, as per NS property On-line records.

The site is irregular shaped, basically level and elevated above road grade. Site ground cover consists of gravel driveway and parking provisions and field grass.

Building Description

Located on the subject land parcel is a wood frame, one storey building, which was formerly utilized as a plumbing and heating sales facility. The building is rectangular in shape measuring 36 feet in width by 44 feet in depth. As such building gross square foot area computes to 1,584 square feet. Owner reports building was constructed approx., circa 1983.

The structure is average to less condition. From a visual inspection of the building, the following building description has been derived.

General Construction:

- poured concrete frost wall;
- wood exterior walls, approximately 10 feet height;
- vinyl exterior cladding;
- wood frame medium pitch roof system, covered with asphalt shingles;
- front and rear doors are commercial grade, metal clad;
- vinyl frame, double glaze windows;
- ceilings and walls fiberglass insulation as reported by owner;
- electricity is distributed through a 100 ampere service;
- heating is provided by an oil fired hot water furnace and heat pump;
- hot water is provided by a 40 gallon electric hot water boiler;

Interior Layout:

Show room area, three offices, 2 piece washroom.

Building Description Cont'd

Interior Finish:

Floors: Vinyl and carpet

Walls: Gypsum board

Ceilings: Gypsum board

Zoning

According to Cape Breton Regional Municipality Planning zoning map the subject lot is zoned Keltic Drive Business Corridor (KBC) Zone. Permitted uses under KBC land use by-law include all agricultural, specific manufacturing including agricultural products processing, alcohol processing, assembly, building supplies manufacturing, mining products manufacturing in compliance with Section 4, specific recreational, all residential and all sales, all service except recycling facility using outdoor storage licensed and in compliance with the regulations of Nova Scotia Environment shall only be permitted in compliance with Section 7, animal shelters are only permitted in areas not serviced by both municipal water and sewer, all transportation. As such subject property most recent application as a sales facility is presumed to be a legal conforming use in the KBC zone.

The lands in the area of the subject property are developed with a variety of commercial applications and residential dwellings. A copy of the applicable zoning regulations is included in the addendum of this report.

Highest and Best Use

The theory of Highest and Best Use or most profitable use is fundamental to the concept of value for real property. It may be defined as “that use which, at the time of appraisal, is most likely to produce the greatest net return in money or amenities over a given period of time.”

The first step in the valuation is to arrive at an estimate of the highest and best use. This estimate is perhaps the most important one that a real estate appraiser has to make.

The following must be considered in establishing highest and best use. The use must be:

- legal;
- within the realm of probability;
- not speculative or conjectural;
- in demand;
- profitable;
- such as to provide to land the highest net return;
- such as to deliver the return for the longest period of time.

Unimproved Sites:

The Highest and Best Use of a vacant site is usually decided by the zoning bylaw governing that site. In some cases, however, a different type of use might appear to be the Highest and Best Use. An example might be single family dwelling lots that are located near an expanding commercial district. Subject to a change in the zoning by-law and classification, the Highest and Best Use might be for land to be re-developed with commercial uses.

Highest and Best Use Cont'd

According to Cape Breton Regional Municipality Zoning Map the subject lot is zoned Keltic Drive Business Corridor (KBC) Zone, which permits all agricultural, specific manufacturing including agricultural products processing, alcohol processing, assembly, building supplies manufacturing, mining products manufacturing in compliance with Section 4, specific recreational, all residential and all sales, all service except recycling facility using outdoor storage licensed and in compliance with the regulations of Nova Scotia Environment shall only be permitted in compliance with Section 7, animal shelters are only permitted in areas not serviced by both municipal water and sewer, all transportation.

The subject property most recent use as a plumbing and heating sales facility is presumed to be a legal conforming use in the KBC zone.

Nearby development consists of a variety of commercial applications and residential dwellings. The subject is accessed directly off Keltic Drive and offers good access, and overall exposure.

The site is suitable for development with a small-scale sales facility or alternate use, as permitted in the KBC zone land use by-law.

As a result, the subject as vacant would have a highest and best use as developed with a small-scale sales facility or alternate use, as permitted in the KBC zone land use by-law.

Highest and Best Use Cont'd***Improved Sites:***

The existing use of a given parcel of land is usually the Highest and Best Use, since economic pressures dictate the use. If the existing use is the Highest and Best Use, it should:

1. conform to the existing zoning regulations or be a legal non-conforming use;
2. be in reasonable conformity with its surroundings;
3. in addition, as long as the building contributes something to the total property value in excess of the value of the vacant site, then it would pay the owner to continue it in that use, that is its highest and best use.

The subject property most recent application, as a plumbing and heating sales facility is presumed to be a legal conforming use in the KBC zone.

Other development in the immediate area consists of a variety of commercial applications and residential dwellings. The subject is considered to be in conformity to other development in the area. The building and lot have greater value than the site as vacant. Therefore, the subject most recent use as a sales facility is considered to be the Highest and Best Use.

Appraisal Analysis

When valuing real property, there are three basic approaches, which can be employed. They are the Cost, Income and Direct Comparison Approaches.

The Cost Approach to value is used when valuing properties consisting of land and building(s). The reproduction/replacement cost of the building(s) is calculated as if new and to this is added the estimated land value, as if vacant, and the value of the other site Improvements. The reproduction/replacement cost new is adjusted for any depreciation that the building may have incurred over its life. This approach is most effective when the buildings are relatively new and not suffering from any great amount of depreciation.

The Income Approach to value is used to value investment type properties such as apartment buildings, office buildings, and other commercial properties. Gross income is estimated and the expenses necessary to maintain the income stream are also calculated. The appraiser then determines an appropriate capitalization rate which, when applied to the net income, would make the income stream sufficiently attractive to induce investors to purchase or build the income property.

The Direct Comparison Approach is most widely used and generally the most recognized method of valuation. It requires enough market data to substantiate the opinion of value. A search of the market is made for sales of similar properties and when analysed, these comparables, will yield an indication of value of the subject property and will reflect the interaction of vendors and purchasers in the open market as they arrive at a price, which is considered fair by both parties involved.

Appraisal Analysis Cont'd

When valuing the subject property under its Highest and Best Use the Direct Comparison Approach are considered applicable. The Cost Approach was not considered in estimating value of the subject property due to the inherent weaknesses in the approach in estimating physical and external depreciation, as well as that the appraiser is not aware of any recent comparable land sales. The Income Approach was not considered in estimating value of the subject property, as it is vacant without rent and related expenses.

Direct Comparison Approach

This method of valuation includes the gathering and analysing of actual sales of comparable properties, which have occurred in the marketplace. Such sales information is considered in relation to relevant features offered by the subject property from which an indication of market value can be derived.

A search of the market has been made to find sales of comparable properties. A review of MLS records, contact with local real estate representatives and appraisers indicate two sales located in the Cape Breton Regional Municipality, which sold recent years. As such search for sales having similarities to the subject was extended to mainland Nova Scotia, where one sales was located situated in Westville; areas in which the subject would trade. The data is outlined in chart form on the subsequent facing page.

The data has been broken down on a per building square foot basis.

Direct Comparison Approach Continued

Address	Date	Price(\$)	Bldg Size Ft ²	\$/Ft ²	Rights Adj.	Fin.	Mot.	Mark.	Loc.	Phys.	Physical Factor	Adj'd. \$/SqFt
						Adj.	Adj.	Adj.	Adj.	Adj.		
618 Keltic Dr Coxheath	Aug, 2022	\$215,000	2148	\$100.09	0%	0%	0%	0%	0%	0%	lot size 20% bldg size -20% condition	\$100.09
57 MacAulays Lane Sydney	March, 2022	\$143,000	1680	\$85.12	0%	0%	0%	10%	0%	0%	site size 5% bldg size	\$98.31
1269 Drummond Rd Westville	March, 2022	\$165,000	3552	\$46.45	0%	0%	0%	0%	0%	0%	site size 95% bldg size 10% condition	\$95.22

Direct Comparison Approach Continued

Following are some general comments on each comparable and how each one relates to the subject. Adjustments have been applied based on the appraiser's experience and should not be interpreted as market derived by statistical analysis or the Paired Sales Analysis.

Comparable 1 is a wood frame retail building, located on Keltic Dr., Coxheath. Its location is considered to be similar to the subject. Lot is similar in size to the subject lot. Building is larger in size to the subject. Price per square foot is directly related to building size. In accordance to the principles of economies of scale, as building size increases price per square foot decreases and visa versa. Therefore, its price per square foot is considered to be lesser than the subject and a plus 20 percent physical adjustment was applied for this feature. Building condition is considered to be superior to the subject, thus a minus 20 percent adjustment was applied to account for variance in condition. All other features are considered to be similar to the subject property. An adjusted price of \$100.09 per building square foot was derived from this sale.

Comparable 2 is a wood frame service type building, located on MacAulay's Lane, Sydney. Its location is considered to be inferior to the subject and a plus 10 percent adjustment was applied for this feature. Lot is also similar in size to the subject lot. Building is somewhat larger in size to the subject and in accordance with the economies of scale a plus 5 percent adjustment was applied for this feature. All other features are considered to be similar to the subject property. An adjusted price of \$98.31 per building square foot was derived from this sale.

Direct Comparison Approach Continued

Comparable 3 is a wood frame retail building, located on Drummond Rd., Westville. Its location is considered to be similar to the subject. Like the preceding sales lot is similar in size to the subject lot. Building is substantially larger in size to the subject improvement and consistent with the economies of scale a plus 95 percent adjustment was applied for this feature. Building condition is considered to be inferior to the subject and a plus 10 percent adjustment was applied to account for variance in building condition. All other features are considered to be similar to the subject property. An adjusted price of \$95.22 per building square foot was derived from this sale.

The raw data produced a range of \$46.45 to \$100.09 per building square foot, with an average of \$77.22. The adjusted data produces a range of value from \$95.22 to \$100.09 per building square foot.

All sales were considered in estimating price per square foot for the subject property. Therefore, the subject is considered to be reasonably valued at \$98.00 per building square foot.

Calculation of Market Value:

$$\begin{aligned}\text{MARKET VALUE} &= \text{Building Size x \$/sq ft} \\ &= 1584 \times \$98.00/\text{sq ft} \\ &= \$155,000 \text{ (Rounded)}\end{aligned}$$

Reconciliation and Final Estimate of Market Value

The purpose of this appraisal is to estimate the market value of the subject property as of February 1, 2023 for use by the client for internal purposes. To this end, the appraiser has inspected the subject property and has made a wide search for comparable market data.

Summary of Values:

Cost Approach:	N/A
Income Approach:	N/A
Direct Comparison Approach:	\$155,000

The Direct Comparison Approach is considered to have merit in estimating value of the subject property, as it is market based – price paid for properties having similar locational and physical similarities to the subject property. The Cost Approach was not considered in estimating value of the subject property due to the inherent weaknesses in the approach in estimating physical and external depreciation, as well as that the appraiser is not aware of any recent comparable land sales. The Income Approach was not considered in estimating value of the subject property, as it is vacant without rent and related expenses.

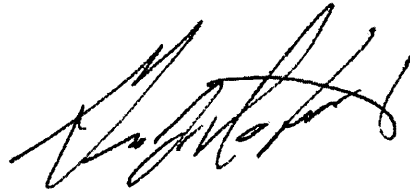
Therefore, it is my opinion subject property market value, as of February 1, 2023 is:

ONE HUNDRED FIFTY-FIVE THOUSAND DOLLARS

(\$155,000)

Reconciliation and Final Estimate of Market Value Continued

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Gregory J. Ratchford', written over a horizontal line.

Gregory J. Ratchford, AACI, P.App.
NSREAA # 091950

ASSUMPTIONS AND LIMITING CONDITIONS

This Short Narrative Report is prepared at the request of Brigitte Dupuis, Analyst Special Accounts bdc.

The report is to be used by bdc for internal purposes. It is not reasonable for anyone other than bdc to rely on the appraisal report without first obtaining written authorization from Gregory J. Ratchford, AACI, P.App. There may be qualifications, assumptions or limiting conditions in addition to those set out below relevant to their identity or intended use.

ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS AND LIMITATIONS OF LIABILITY

The certification that appears in this report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP") and the following conditions:

1. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and

Commercial, Industrial, Agriculture Real Estate Appraisers & Consultants

the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.

4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions

exist. The bearing capacity of the soil is assumed to be adequate.

8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.
 9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
 10. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
 11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.
 12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when
- Commercial, Industrial, Agriculture Real Estate Appraisers & Consultants

properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.

13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
14. This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
16. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright.
17. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of

the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

CERTIFICATION

Re: 609 Keltic Drive, Coxheath, Cape Breton Regional Municipality, NS. Our File No. 02-01-23.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. All factors known to the appraiser (to the extent data permits) that has an impact on value have been taken into consideration to the extent, felt necessary in rendering a considered opinion of value. No significant information has been knowingly withheld from the appraisal report and it is believed to be best of my knowledge, that all statements and information in the appraisal report are true and correct.
2. Only my personal, unbiased, and professional analysis, opinion, and conclusions are stated in the appraisal report. Included on this form are all contingent and limiting conditions affecting the analysis, opinions, and conclusions, whether they are imposed by the terms of the assignment or by the appraiser.
3. I have no past, present, or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest in the property or bias with respect to the parties involved.
4. The opinion of value stated within the report does not result from a requirement to report a predetermined value or direction in value that favours the cause of the client and or related party the attainment of a specific result or the occurrence of a subsequent event in order to receive the compensation and/or employment for performing the appraisal. The reported value is not based on a requested minimum valuation or a specific valuation.
5. This short narrative report has been performed in conformity with the Canadian Uniform Standards of Professional Appraisal Practice.
6. The subject property was personally inspected on the date shown in the attached report. It is hereby certified that any apparent or known adverse conditions have been noted herein,

Certification Continued

on the subject site, or on any site within the immediate vicinity of the subject property which were apparent as of the date of inspection and that adjustments have been made for these adverse conditions in the analysis of the property value to the extent that market evidence was available to support them.

7. All conclusions and opinions about the real estate were personally prepared as same are set forth in the appraisal report. If there was reliance on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, such individual(s) have been named herein including the disclosure of specific tasks performed by them. No authorization has been given to anyone to make a change to any items in this report; therefore, if an unauthorized change is made to the short narrative appraisal report, no responsibility for such changes is assumed.

8. The reported analyses, opinions, and conclusions were developed and this report has been prepared with the requirement of the Code of Professional Ethics of the Appraisal Institute of Canada.

9. The use of this report is subject to the requirements of the Appraisal Institute of Canada and the Nova Scotia Real Estate Appraisers Association relating to review by their duly authorized representations.

10. As of the date of this report, I have completed the requirement of the mandatory re-certification program of the Appraisal Institute of Canada.

Certification Continued

As a result of this short narrative report it is my opinion that the Market Value of the subject property, as of February 1, 2023 is:

ONE HUNDRED FIFTY-FIVE THOUSAND DOLLARS

(\$155,000)

APPRAISER

Signature: 

Name: Gregory J. Ratchford

Designation: AACI, P.App.

Re-certified: Yes

Inspected: Yes

Date signed: February 6, 2023

GREGORY J. RATCHFORD, AACI, P. APP
QUALIFICATIONS AND EXPERIENCE

Professional Designation:

AACI - Accredited Appraiser Canadian Institute (post graduate)

P. App. - Professional Appraiser

(Membership requires Professional Liability Insurance and Re-certification)

NSREAA # 091950

Current Employment Status:

Commercial Fee Appraiser – G. Ratchford & Associates Appraisers Inc.

Website: <http://www.gratchford.ca>

Scope of Experience:

Commercial and Residential Real Estate Appraisals and Consulting since 1987

Real Estate Developer

Real Estate Broker

Education:

Completion of Appraisal Institute of Canada education program for the AACI, P. App., designation

Completion of the Real Estate Institute of Canada education program for the FRI designation
Business Administration/Science; University College of Cape Breton, Dalhousie University
Urban Land Economics; University of British Columbia

Curricula Vitae Cont'd**Clients Include:**

All levels of Government (Federal, Provincial, Municipal)

- Cape Breton Development Corporation
- Indian & Northern Affairs
- National Defence
- Transport Canada
- Revenue Canada
- Nova Scotia Public Trustee
- Service Nova Scotia Department of Housing
- Cape Breton Regional Municipality

Major Chartered Banks, Mortgage, Trust and Finance Companies

Major Insurance Companies

Major Law Firms

Major Accounting Firms

Major Oil Companies

Regional and Local Real Estate Development Companies

Many Private Individuals and Companies

Appraiser Canadian Appraisal Management Companies

Expert Testimony:

Supreme Court of Nova Scotia

Regional Assessment Appeal Court

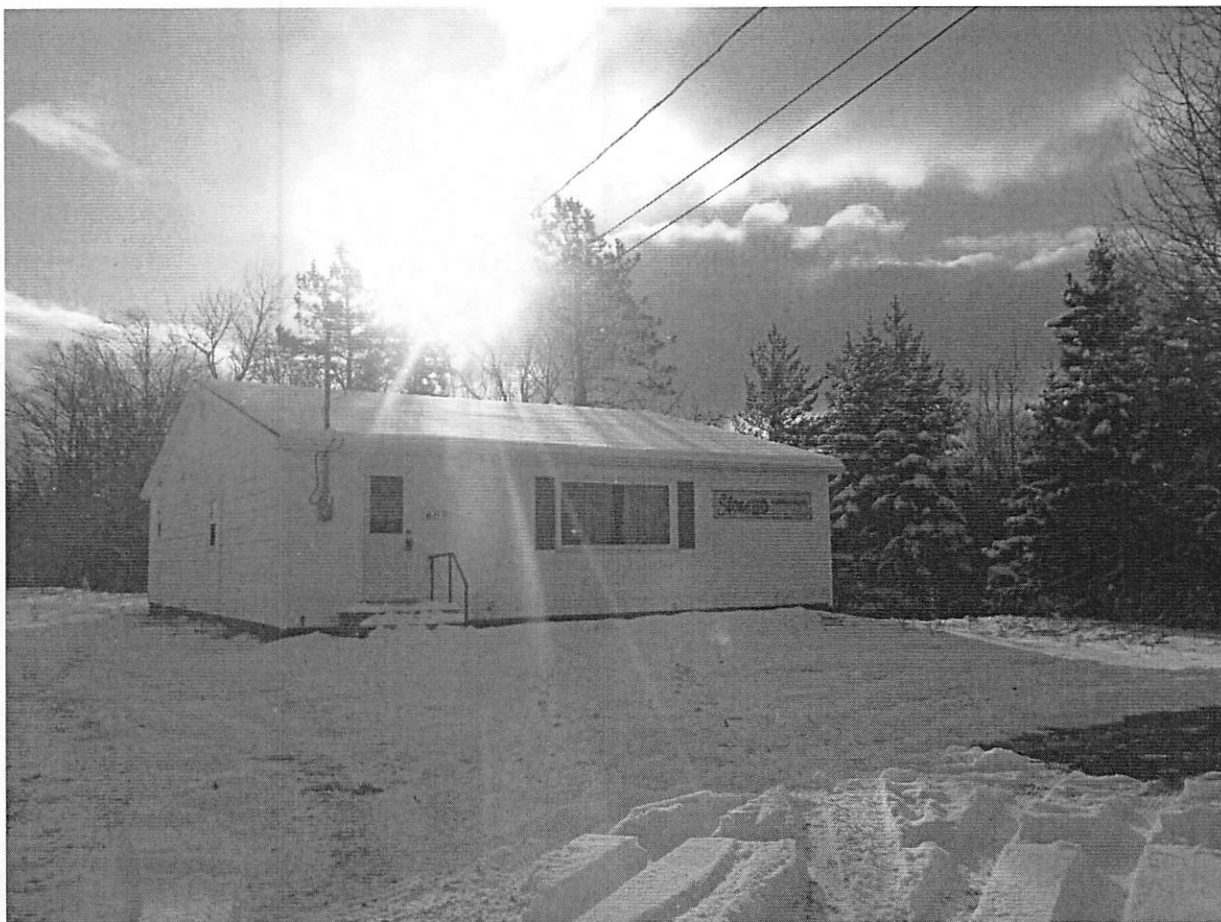
Curricula Vitae Cont'd

Community Service:

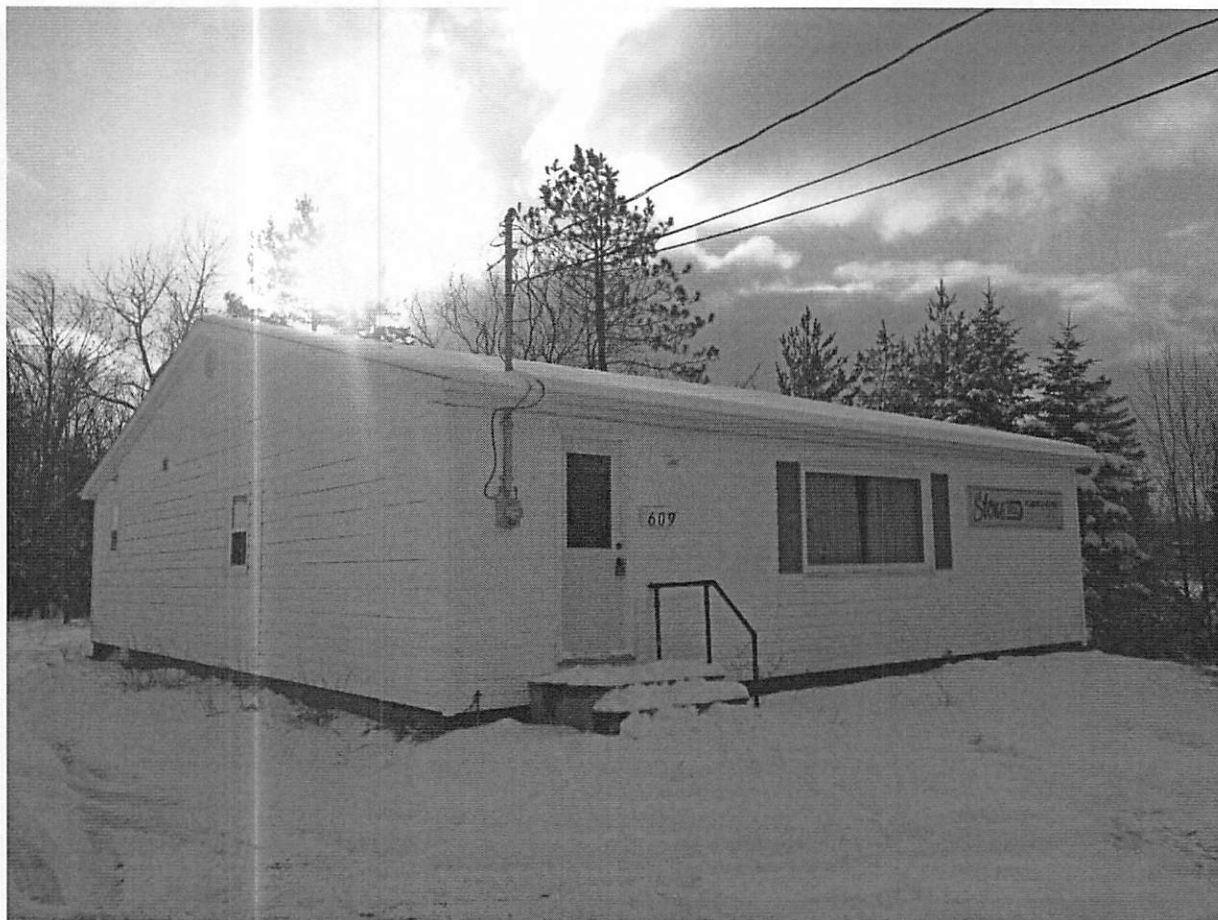
Active member Rotary Club of North Sydney

'Loveafrica' board member

PHOTOS



PHOTOS CONTINUED-



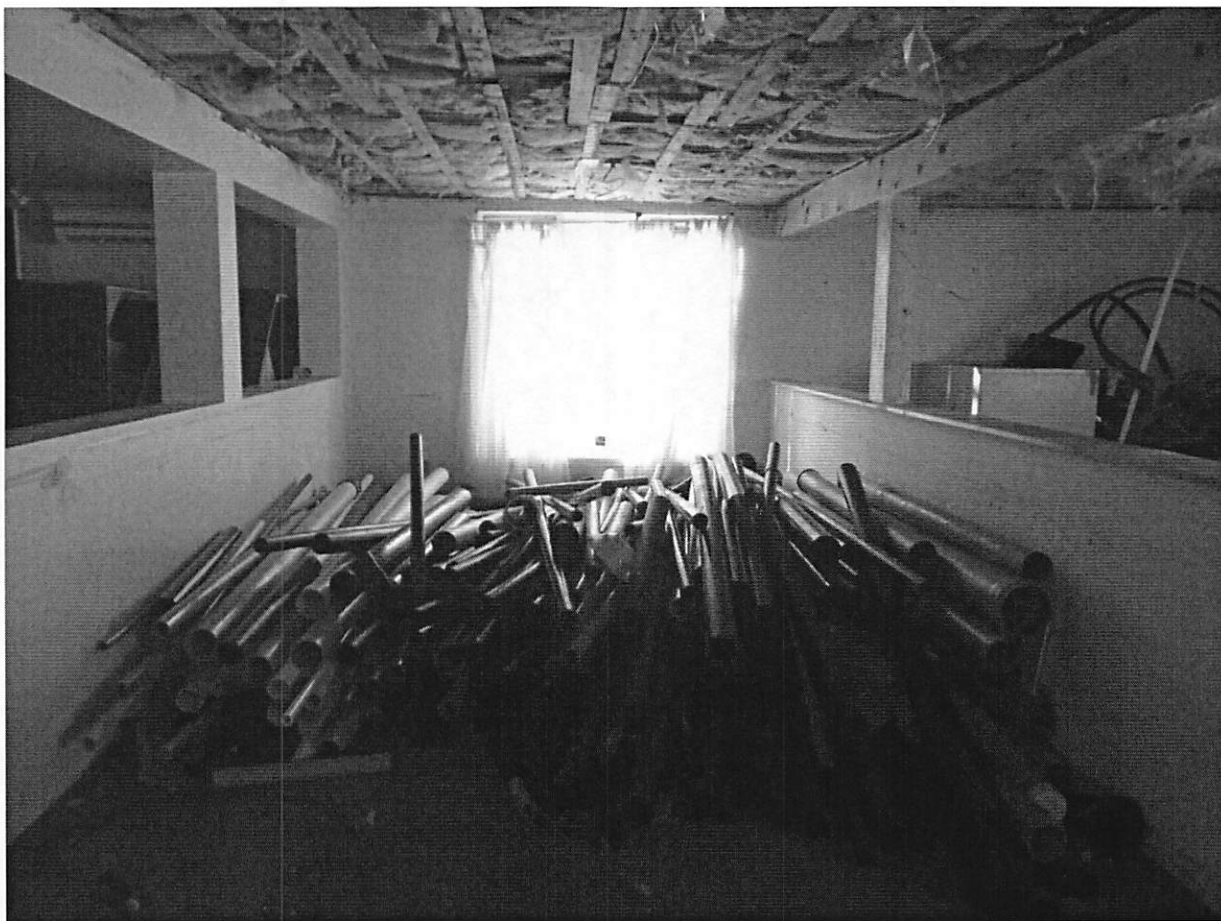
PHOTOS CONTINUED



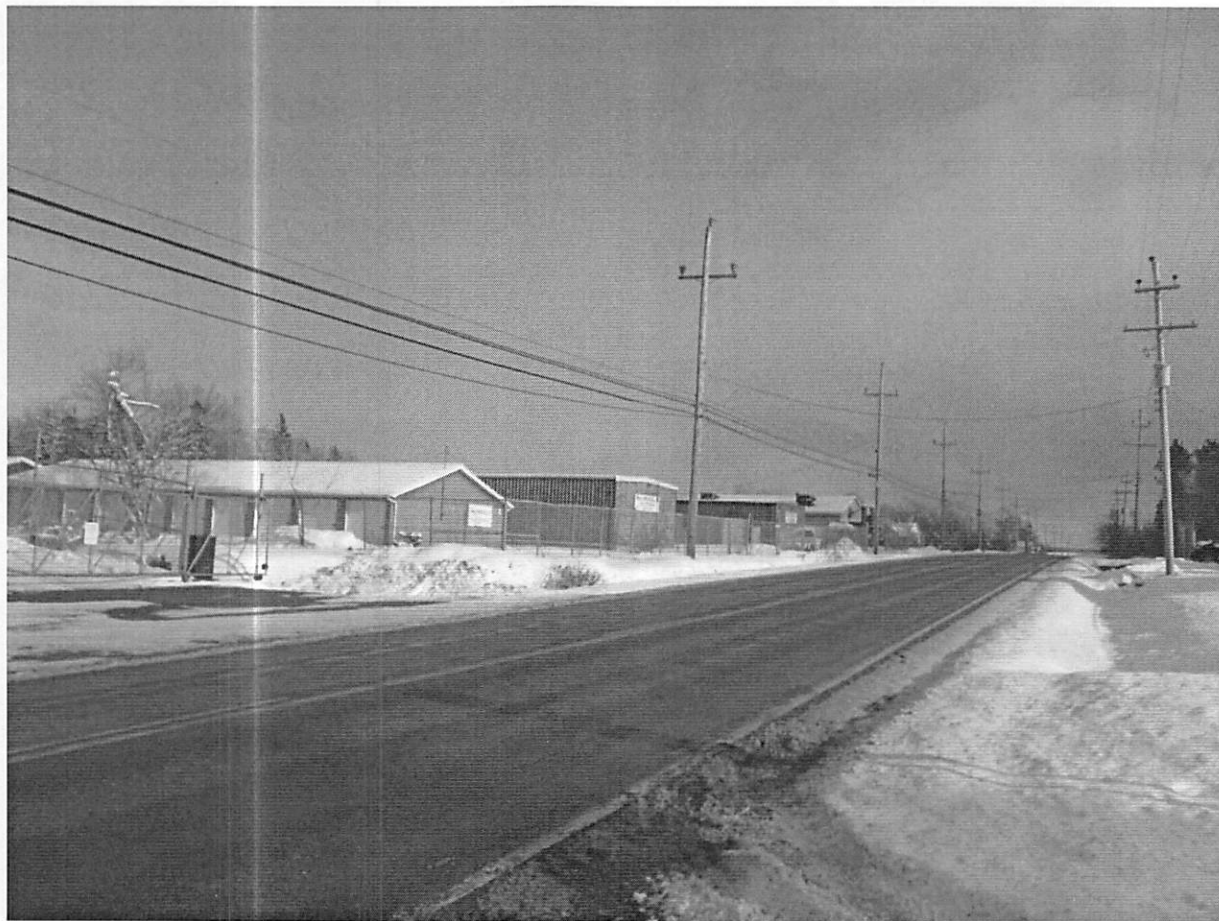
PHOTOS CONTINUED



PHOTOS CONTINUED



PHOTOS CONTINUED
Keltic Dr



ZONING

PART 10 KELTSIC DRIVE BUSINESS CORRIDOR (KBC) ZONE

Section 1 KBC Uses Permitted

Development Permits shall only be issued in the KBC Zone for one or more of the following uses in compliance with any relevant section of the General Provisions Part, and any specific section of this Part devoted to the use.

- agricultural uses – (all)
- manufacturing – only the following
 - agricultural products processing
 - alcohol processing
 - assembly
 - building supplies manufacturing
 - mining products manufacture *in compliance with Section 4*
- recreational – (all) both public and business establishment *except racetracks for motor vehicles and campgrounds*
- residential development – (all)
 - apartment buildings *only in areas serviced with both Municipal water and sewer*
 - apartments within a mixed used building *only in areas serviced with both Municipal water and sewer*
 - mobile homes
 - single detached dwellings
 - townhouses *only in areas serviced with both Municipal water and sewer*
 - two-unit dwellings
- sales – (all)
- service *all except*
 - recycling facility using outdoor storage licenced and in compliance with the regulations of Nova Scotia Environment *shall only be permitted in compliance with Section 7*
 - animal shelters are only permitted in areas not serviced with both Municipal water and sewer
- transportation – (all)
 - coal retail distribution facilities in compliance with Section 4

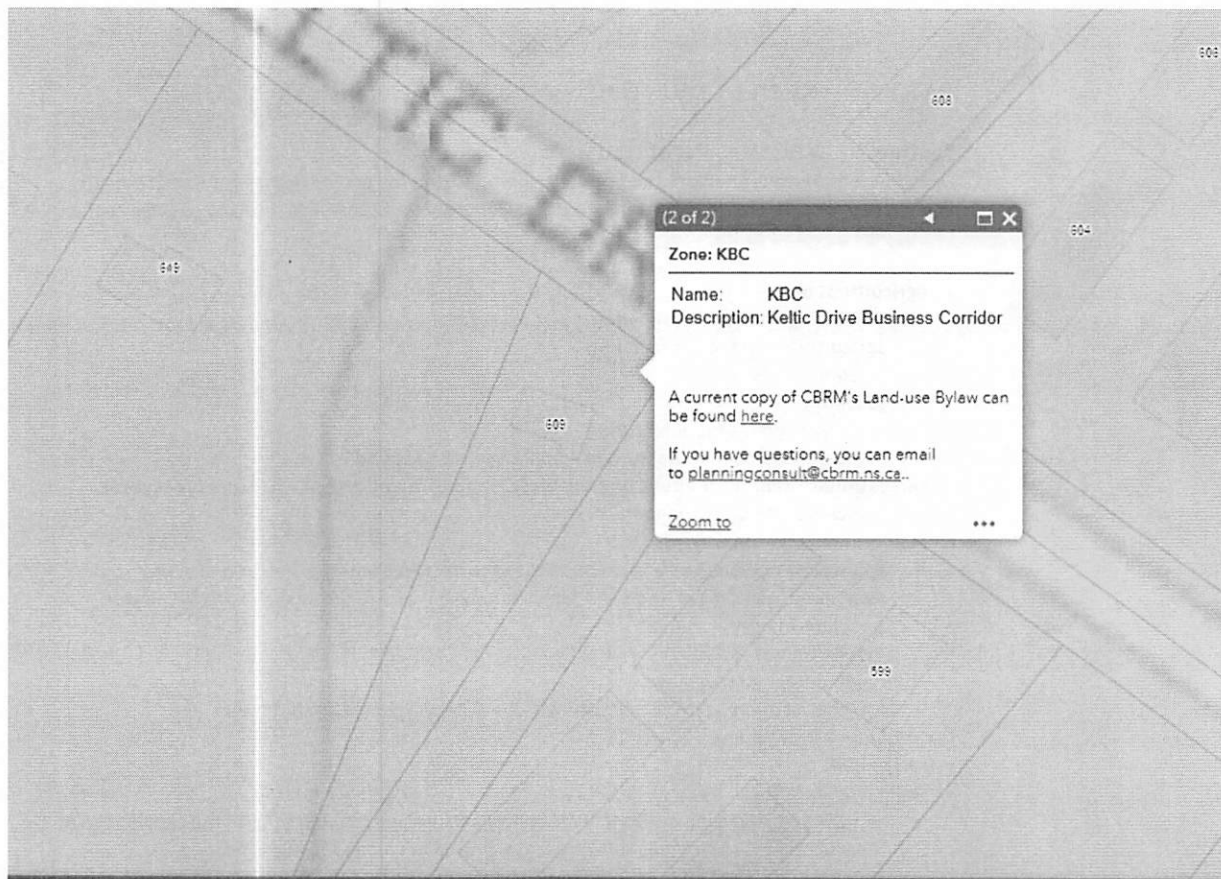
Section 2 KBC Lot Parcel Development Requirements

The lot parcel development requirements for all permitted uses in the KBC Zone are as follows:

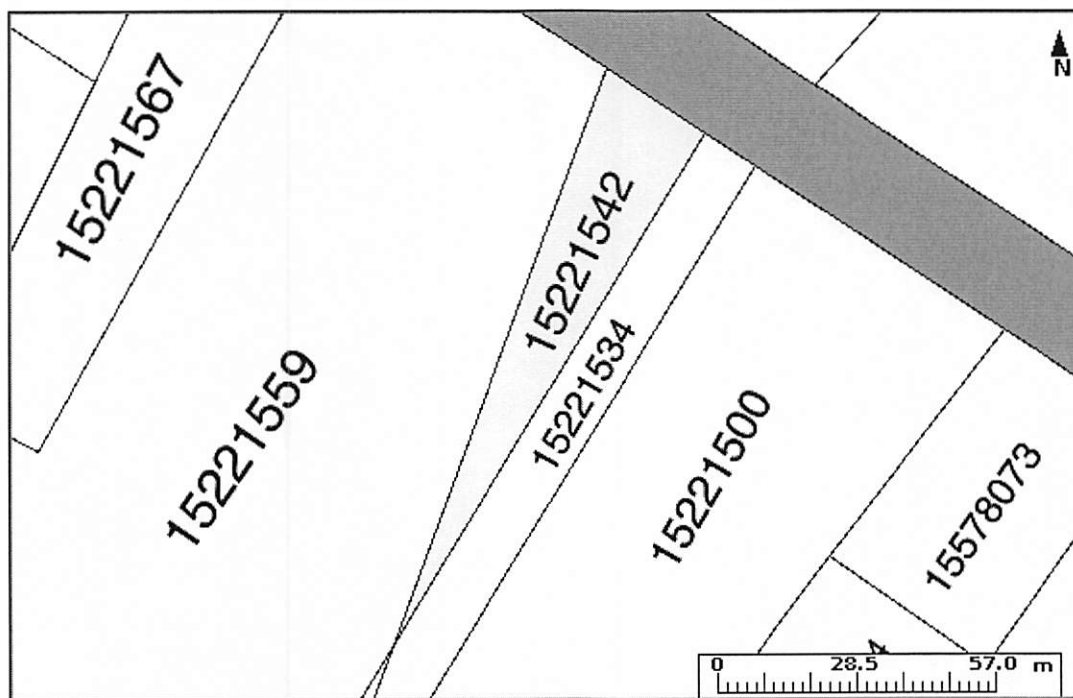
Minimum public street/road frontage	50 feet*
Minimum building setback	10 feet from a boundary shared with a property where the main use is residential 50 feet from a dwelling in another zone

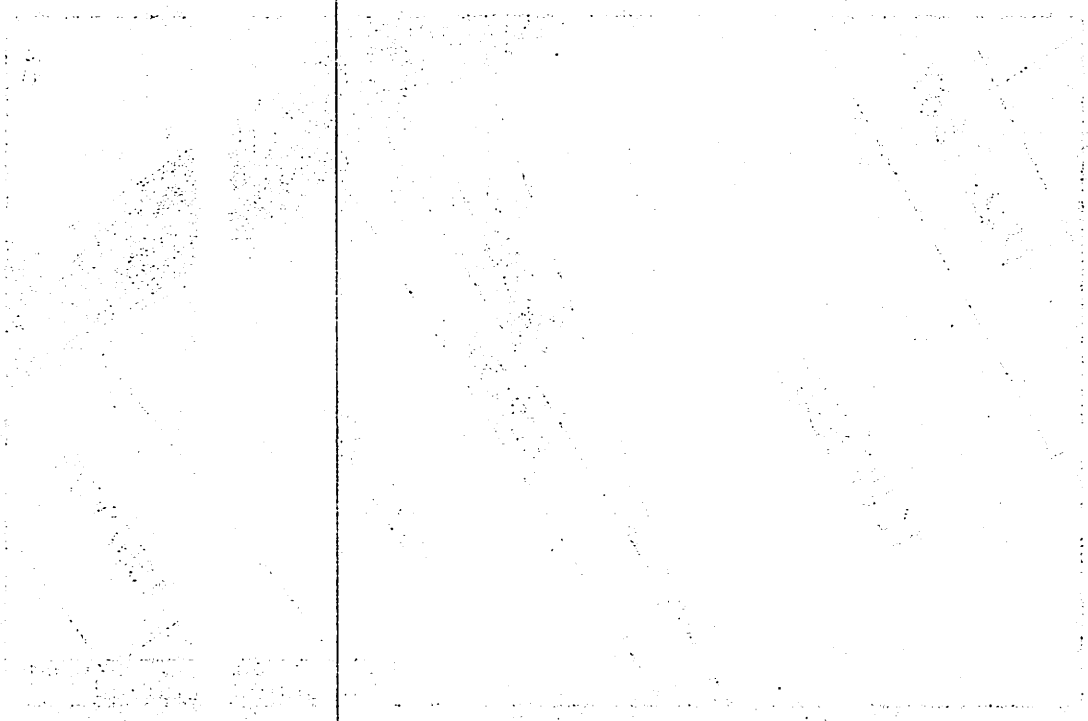
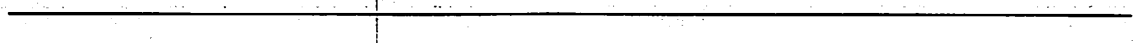
* this minimum public street/road requirement is waived for lot parcels that existed prior to the date this Bylaw came into effect.

Zoning Map

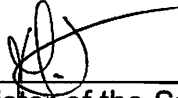


PLAT MAP





This is Exhibit "J" to the affidavit of
Michelle Bursey, sworn before me
this 21st day of July, 2023



A Barrister of the Supreme Court
of Nova Scotia

MARC L.J. DUNNING
A Barrister of the Supreme
Court of Nova Scotia



April 19, 2023

FORM 86

***Notice of Intention to Enforce a Security
(Rule 124)***

To: **Stone Brothers Plumbing and Heating Ltd**, an insolvent person.
Take notice that:

1. Business Development Bank of Canada, a secured creditor, intends to enforce its security on the insolvent person's property described below:

All personal property of the insolvent person except consumer goods.

Land and building located at 609 Keltic Drive, Sydney, NS

2. The security that is to be enforced is in the form of a General Security Agreement & Mortgage of Land.
3. The total amount of the indebtedness secured by the security is \$169,270.94 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 3.00% per annum compounded monthly and all costs and charges of enforcement.
4. The total amount of the indebtedness secured by the security is \$17,700.30 as at September 23, 2022 with interest thereafter at the Bank's floating base rate plus 4.00% per annum compounded monthly and all costs and charges of enforcement.
5. The secured creditor will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Moncton, NB, this 19th day of April, 2023.

BUSINESS DEVELOPMENT BANK OF CANADA

Brigitte Dupuis

Brigitte Dupuis
Analyst, Special Accounts

Michelle Bursey

Michelle Bursey
Senior Account Manager, Special Accounts
T: 902-895-6378
E: michelle.bursey@bdc.ca

**CONSENT AND WAIVER**

THE UNDERSIGNED hereby:

1. Acknowledges receipt of the above Form 86 Notice;
2. Waives the ten day period of notice required under Section 244 of the Bankruptcy and Insolvency Act; and
3. Consents to the immediate enforcement by Business Development Bank of Canada of the Security referred to in the above Form 86 Notice.

DATED at _____, _____, this ____ day of _____, 202__.

Per:

Authorized Signatory