

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE PROPOSAL OF
U&ME BEVERAGE COMPANY
HAVING ITS PRINCIPAL PLACE OF BUSINESS
IN THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO**

**MOTION RECORD
(hearing scheduled September 27, 2012)**

September 25, 2012

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Catherine Francis (LSUC# 26900N)
cfrancis@mindengross.com
Tel: 416-369-4137
Fax: 416-864-9223

Lawyers for Royal Bank of Canada

TO: AIRD & BERLIS LLP
Barristers and Solicitors
BCE Place, Suite 1800, Box 754
181 Bay St.
Toronto, ON M5J 2T9

Sanjeev Mitra
Tel: 416-865-3085
Fax: 416-863-1515
E-mail: smitra@airdberlis.com

Lawyers for Trustee, MNP Limited

AND TO: PALLETT VALO LLP
Lawyers & Trade-Mark Agents
#1600 - 90 Burnhamthorpe Road West
Mississauga, ON L5B 3C3

Bobby H. Sachdeva (LSUC # 34454C)
E-mail: sachdeva@pallettvalo.com
Wojtek Jaskiewicz (LSUC # 49809L)
E-mail: wjaskiewicz@pallettvalo.com

Tel: 905-273-3300
Fax: 905-273-6920

Lawyers for U&ME Beverage Company

AND TO: ORLANDO CORPORATION
6205 Airport Road
Mississauga, ON L4V 1E3

Leonard Lee
Tel: 905-677-5511 Ext. 243
Fax: 905-677-1851
E-mail: leel@orlandocorp.com

AND TO: CANADA REVENUE AGENCY
#3400 – 130 King Street West
Tax Section, P.O. Box 36, Exchange Tower
Toronto, ON M5X 1K6

c/o
Department of Justice
Diane H. A. Winters
Tel: 416-973-3172
Fax: 416-973-0810
E-mail: diane.winters@justice.gc.ca

AND TO: MINISTRY OF FINANCE
Legal Services Br.,
33 King Street West, 6th Floor
P.O. Box 627, Stn. A
Oshawa, ON L1H 8H5

Kevin J. O'Hara
Tel: 1-905-433-6934
Fax: 1-905-436-4510
E-mail: Kevin.ohara@fin.gov.on.ca

AND TO: LEE MILLER

1 Avalon Vista

Newport Coast, CA, 92657

E-mail: lam91773@aol.com

E-mail: lmiller@millermeat.com

Home: 949-759-1815

Cell: 949-698-2783

AND TO: DARRYL McDANIEL

6 Hewitt Drive

Grimsby, ON L3M 0A4

E-mail: darryl@uandmemarketing.com

Cell: 905-923-6022

INDEX

INDEX

TAB	DOCUMENT	PAGE NOS.
1	Notice of Motion returnable on September 27, 2012	1 – 25
2	Affidavit of David Flewelling sworn September 24, 2012 and the exhibits attached thereto.	26 – 35
A	Exhibit A – copy of the lease between Chiefton and U&ME dated December 10, 2010	36 – 63
B	Exhibit B – copy of the letter agreement dated March 23, 2011 and amending agreement dated April 11, 2011	64 – 83
C	Exhibit C – copy of the Master Lease Agreement dated March 25, 2011	84 – 89
D	Exhibit D – copy of the GSA dated April 1, 2011	90 – 99
E	Exhibit E – copy of a Personal Property Security Enquiry Response Certificate dated August 15, 2012	100 – 107
F	Exhibit F – copy of the package that was mailed to creditors	108 – 117
G	Exhibit G – copies of:	118 – 130
	(i) copy of the Affidavit of Darryl McDaniel sworn August 30, 2012 (without exhibits) in support of the extension	
	(ii) copy of the First report of MNP dated August 29, 2012	
	(iii) copy of the Extension Order dated September 4, 2012	
3	Consent of MNP Ltd. to act as Receiver dated September 24, 2012	131

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE PROPOSAL OF
U&ME BEVERAGE COMPANY
HAVING ITS PRINCIPAL PLACE OF BUSINESS
IN THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

NOTICE OF MOTION

ROYAL BANK OF CANADA will make a Motion to a Judge presiding over the Commercial List on Thursday, September 27, 2012 10:00 a.m. or as soon after that time as the Motion can be heard at the court house, 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING: The Motion is to be heard (*choose appropriate option*)

in writing under subrule 37.12.1(1) because it is (*insert one of on consent, unopposed or made without notice*);

in writing as an opposed motion under subrule 37.12.1(4);

orally.

THE MOTION IS FOR (*State here the precise relief sought*)

1. An Order abridging the time for service of the Notice of Motion and the Motion Record herein and declaring that the motion is properly returnable on September 27, 2012.

2. An order appointing MNP Ltd. ("MNP") as Receiver of all of the property, assets and undertaking of U&ME Beverage Company pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA"), substantially in the form attached as Schedule "A" hereto;
3. its the costs of this motion; and,
4. such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE *(Specify the grounds to be argued, including a reference to any statutory provision or rule to be relied on)*

1. U&ME is a Nova Scotia Corporation registered to carry on business in the Province of Ontario.
2. U&ME was incorporated to carry on business filling and distributing pouch pack containers for juice and water out of premises located at 450A Export Blvd in Mississauga, Ontario (the "Premises").
3. The landlord of the Premises is Chiefton Investments Limited ("Chiefton"), a company affiliated with Orlando Corporation ("Orlando").
4. The previous tenant at the Premises was Garden Springs Beverage Corporation ("Garden Springs"), which carried on a pouch pack business focused on the sale of alcoholic beverages.
5. U&ME purchased substantially all of the assets of Garden Springs, including equipment located at the Premises.

6. Pursuant to a credit agreement dated March 23, 2011 and accepted on April 5, 2011, RBC agreed to provide facilities to U&ME including a revolving demand facility in the amount of \$137,132.00 by way of letters of credit/letters of guarantee, a \$3,000,000.00 reducing facility by way of leases and Visa Business facility.
7. RBC's loans to U&ME were secured by, among other things,
 - (a) A general security agreement ("GSA") over all of the Company's assets;
 - (b) A cash collateral agreement;
 - (c) Various guarantees from the shareholders and principals of U&ME.
8. The GSA has been registered in first position over the Company's assets as reflected in a Personal Property Security Enquiry Response Certificate showing RBC's registration.
9. The only other secured creditor shown on the registration is Chiefton, which registered a financing statement against the Company on July 30, 2012.
10. U&ME was required to provide monthly company prepared financial statements to RBC. U&ME was also required to provide annual audited financial statements within 120 days of year end.
11. Commencing in or around December 2011, RBC was advised of efforts by U&ME and its principals to raise additional financing and/or to find investors for the business. None of these initiatives came to fruition.

12. U&ME ceased operations in July 2012.

13. In July 2012, U&ME hired a turnaround advisor named Geoff Godard ("Godard") to assist in its efforts to raise financing/find investors. Through Godard, U&ME provided draft financial statements to RBC for the year ended December 31, 2011, as well as six month interim statements to June 30, 2012. The financial statements showed heavy losses for the first year of operations and continuing.

14. After receipt of the financial statements, RBC moved the account into its Special Loans group.

15. U&ME filed a Notice of Intention to make a Proposal on August 7, 2012. The creditor list shows claims totalling \$20,392,788.95.

16. As of the date of filing, RBC was owed approximately \$2,284,900.28, in addition to amounts owing under the Visa facility and the exposure under the letter of credit (which is covered by cash collateral).

17. Chiefton is shown as an unsecured creditor for \$2,609,591.00, representing future rent payable under the Premises lease.

18. On September 4, 2012, U&ME obtained an order granting a 15 day extension to file a proposal, to September 21, 2012.

19. U&ME did not file a proposal and became bankrupt effective September 22, 2012.

20. RBC is prepared to provide funding to MNP for the purpose of running a sales process, provided that MNP is appointed to act as Receiver and that its activities are subject to approval of the court in the receivership.
21. Due to large monthly expenses, including rent it is critical that the process proceed expeditiously. RBC seeks the appointment of MNP as Receiver prior to the end of this month to facilitate the payment of rent for the Premises.
22. MNP has consented to act as Receiver.
23. It is just and convenient to appoint a Receiver.
24. Sections 243 of the BIA.
25. Sections 101 and 106 of the CJA.
26. Rules 41 of the *Rules of Civil Procedure*;
27. Such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion: *(List the affidavits or other documentary evidence to be relied on)*

- (a) The affidavit of David Flewelling sworn September 24, 2012 and the exhibits attached thereto;
- (b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

September 25, 2012

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Catherine Francis (LSUC# 26900N)
cfrancis@mindengross.com
Tel: 416-369-4137
Fax: 416-864-9223

Lawyers for Royal Bank of Canada

TO: AIRD & BERLIS LLP
Barristers and Solicitors
BCE Place, Suite 1800, Box 754
181 Bay St.
Toronto, ON M5J 2T9

Sanjeev Mitra
Tel: 416-865-3085
Fax: 416-863-1515
smitra@airdberlis.com

Lawyers for MNP Limited, Trustee and Proposed Receiver

AND TO: PALLETT VALO LLP
Lawyers & Trade-Mark Agents
#1600 - 90 Burnhamthorpe Road West
Mississauga, ON L5B 3C3

Bobby H. Sachdeva (LSUC # 34454C)
E-mail: sachdeva@pallettvalo.com
Wojtek Jaskiewicz (LSUC # 49809L)
E-mail: wjaskiewicz@pallettvalo.com

Tel: 905-273-3300
Fax: 905-273-6920

Lawyers for U&ME Beverage Company

AND TO: ORLANDO CORPORATION
6205 Airport Road
Mississauga, ON L4V 1E3

Leonard Lee
Tel: 905-677-5511 Ext. 243
Fax: 905-677-1851
E-mail: leel@orlandocorp.com

AND TO: CANADA REVENUE AGENCY
#3400 – 130 King Street West
Tax Section, P.O. Box 36, Exchange Tower
Toronto, ON M5X 1K6

c/o
Department of Justice
Diane H. A. Winters
Tel: 416-973-3172
Fax: 416-973-0810
E-mail: diane.winters@justice.gc.ca

AND TO: MINISTRY OF FINANCE
Legal Services Br.,
33 King Street West, 6th Floor
P.O. Box 627, Stn. A
Oshawa, ON L1H 8H5

Kevin J. O'Hara
Tel: 1-905-433-6934
Fax: 1-905-436-4510
E-mail: Kevin.ohara@fin.gov.on.ca

AND TO: LEE MILLER
1 Avalon Vista
Newport Coast, CA, 92657
E-mail: lam91773@aol.com
E-mail: lmiller@millermeat.com

Home: 949-759-1815
Cell: 949-698-2783

AND TO: DARRYL McDANIEL
6 Hewitt Drive
Grimsby, ON L3M 0A4
E-mail: darryl@uandmemarketing.com

Cell: 905-923-6022

THIS MOTION made by the Plaintiff² Royal Bank of Canada ("RBC") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~ MNP Ltd. ("MNP") as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ U&ME Beverage Company (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ David Flewelling sworn ~~[DATE]~~ September 24, 2012 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~ RBC and counsel for MNP, no one appearing for ~~[NAME]~~ any other interested persons although duly served as appears from the affidavit of service of ~~[NAME]~~ sworn ~~[DATE]~~ and on reading the consent of ~~[RECEIVER'S NAME]~~ MNP to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated³ so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

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

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

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

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

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

- (i) without the approval of this Court in respect of any transaction not exceeding \$ 100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$ 500,000.00; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [~~for section 31 of the Ontario *Mortgages Act*, as the case may be,~~]⁵ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

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

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

for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the

foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the

Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal

prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except

for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

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

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

FUNDING OF THE RECEIVERSHIP

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

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

24. THIS COURT ORDERS that the Receiver be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Debtor's creditors or other interested parties at their

respective addresses as last shown on the records of the Debtor and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

25. THIS COURT ORDERS that ~~the Plaintiff~~ RBC, the Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver may post a copy of any or all such materials on its website at [INSERT WEBSITE ADDRESS].

GENERAL

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

27. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from ~~acting~~ continuing to act as a trustee in bankruptcy of the Debtor.

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

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

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

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

#1943441 | 4082652

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

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

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

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

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

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

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

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

DATED the _____ day of _____, 2012.

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

Per: _____
Name:
Title:

#1943441 | 4082652

Document comparison by Workshare Professional on Tuesday, September 25, 2012
10:39:59 AM

Input:	
Document 1 ID	PowerDocs://DOCS1/941709/3
Description	DOCS1-#941709-v3-RECEIVERSHIP_ORDER_FORM_(Model_Rev: Nov_23/11)
Document 2 ID	PowerDocs://DOCS1/1943441/1
Description	DOCS1-#1943441-v1-ReceiverShip_Order_(Model)_-_Sep tember_27,_2012
Rendering set	Standard

Legend:	
<u>Insertion</u>	
<u>Deletion</u>	
<u>Moved from</u>	
<u>Moved to</u>	
Style change	
Format change	
<u>Moved-deletion</u>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	29
Deletions	42
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	71

IN THE MATTER OF THE PROPOSAL OF
U&ME BEVERAGE COMPANY
HAVING ITS PRINCIPAL PLACE OF BUSINESS
IN THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

Court File No. 32-1652926

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF MOTION

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Catherine Francis (LSUC# 26900N)
cfrancis@mindengross.com

Tel: 416-369-4137

Fax: 416-864-9223

Lawyers for Royal Bank of Canada

TAB 2

Court File No. 32-1652926

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE PROPOSAL OF
U&ME BEVERAGE COMPANY
HAVING ITS PRINCIPAL PLACE OF BUSINESS
IN THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO**

**AFFIDAVIT OF DAVID FLEWELLING
(sworn September 24, 2012)**

I, David Flewelling, of the City of Hamilton, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am a Manager, Special Loans and Advisory Services (hereinafter referred to as "SLAS") with Royal Bank of Canada ("RBC") with primary responsibility for administration of the account of U&ME Beverage Company ("U&ME" or the "Company") and as such, I have knowledge of the matters contained in this affidavit.
2. U&ME is a Nova Scotia Corporation registered to carry on business in the Province of Ontario.
3. As of September 22, 2012, U&ME was deemed bankrupt, as a result of a failed proposal proceeding under the Bankruptcy and Insolvency Act ("BIA"). MNP Ltd. ("MNP") acted as proposal trustee. I am making this affidavit in support of an order appointing MNP as Receiver of U&ME to facilitate the realization of the Company's

assets. I am making this affidavit based upon my personal involvement in this account since July 2012, a review of the file documents and discussions with others, including Norm Pacheco, the account manager at RBC who was responsible for this matter. Where I have obtained information from other people, I verily believe that it is true.

Background

4. U&ME was incorporated in Nova Scotia on December 21, 2010 under the name 3250800 Nova Scotia Company. According to the information provided to RBC, the shareholders of U&ME are RTW Enterprises, LLC, a company owned by Lee Miller and Deborah Miller, Rebmac Holdings Inc., a company owned 95% by Darryl McDaniel and 5% by Gueillermo Castillo.

5. U&ME was incorporated to carry on business filling and distributing pouch pack containers for juice and water out of premises located at 450A Export Blvd in Mississauga, Ontario (the "Premises").

6. The landlord of the Premises is Chiefton Investments Limited ("Chiefton"), a company affiliated with Orlando Corporation ("Orlando"). Attached hereto and marked as Exhibit "A" to this my affidavit is a copy of the lease between Chiefton and U&ME dated December 10, 2010, for a term commencing on February 1, 2011 and ending on March 31, 2016 (the "Premises Lease").

7. The previous tenant at the Premises was Garden Springs Beverage Corporation ("Garden Springs"), which I understand carried on a pouch pack business focused on the sale of alcoholic beverages.

8. Pursuant to an Asset Purchase Agreement dated as of February 4, 2011, U&ME agreed to purchase substantially all of the assets of Garden Springs, including equipment located at the Premises. The purchase consideration included the assumption of indebtedness owing to Garden Springs' bank, First Nations Bank of Canada ("First Nations Bank"), which at the time of the agreement was owed approximately \$1,773,354.06.

9. In or about February 2011, U&ME applied to RBC for financing for its proposed operation.

10. Pursuant to a confirmation of credit facilities letter dated March 23, 2011 and accepted on April 5, 2011 (subsequently amended on April 11, 2011 – collectively, the "Credit Agreement"), RBC agreed to provide facilities to U&ME as follows:

- (a) Revolving demand facility in the amount of \$137,132.00 by way of letters of credit/letters of guarantee;
- (b) \$3,000,000.00 reducing facility by way of leases;
- (c) Visa Business to a maximum amount of \$50,000.00.

11. The purpose of the demand facility was to provide a letter of credit to Orlando, as required by the terms of the Premises Lease.

12. The purpose of the equipment lease facility was to pay out the debt owing to First Nations Bank (the lender to Garden Springs, as indicated above) and debts owing for assumed liabilities of Garden Springs, and to provide start-up funding.

13. Attached hereto and marked as Exhibit "B" to this my affidavit is a copy of the Credit Agreement.

14. In agreeing to provide financing to U&ME, RBC relied, among other things, on an appraisal report prepared by Infinity Asset Solutions dated February 4, 2011 valuing the equipment at the Premises, as well as personal statements of assets provided by Lee and Deborah Miller and Darryl McDaniel.

15. RBC entered into a Master Lease Agreement dated March 25, 2011 and executed on April 6, 2011 for the equipment lease. Attached hereto and marked as Exhibit "C" to this my affidavit is a copy of the Master Lease Agreement.

16. RBC's loans to U&ME were secured by, among other things,

- (a) A general security agreement ("GSA") over all of the Company's assets;
- (b) A cash collateral agreement;
- (c) Various guarantees from the shareholders and principals of U&ME.

17. Attached hereto and marked as Exhibit "D" to this my affidavit is a copy of the GSA, which has been registered in first position over the Company's assets. Attached hereto and marked as Exhibit "E" to this my affidavit is a copy of a Personal Property Security Enquiry Response Certificate reflecting RBC's registration.

18. The only other secured creditor shown on the registration is Chiefton, which registered a financing statement against the Company on July 30, 2012, after the Company ceased operations, as discussed below.

The Company's Insolvency

19. Pursuant to the Credit Agreement, the Company was required to provide monthly company prepared financial statements to RBC. The Company was also required to provide annual audited financial statements within 120 days of year end. The Company's year end is December 31st, so the statements were due by April 30, 2012.

20. Commencing in or around December 2011, RBC was advised of efforts by the Company and its principals to raise additional financing and/or to find investors for the business. During the period from December 2011 through July 2012, RBC was advised of various initiatives to find such financing and/or investors, none of which came to fruition.

21. The Company failed to provide audited statements as required under the Credit Agreement.

22. In July 2012, the Company hired a turnaround advisor named Geoff Godard to assist in its efforts to raise financing/find investors. At Mr. Godard's insistence, and through Mr. Godard, the Company provided draft financial statements to RBC for the year ended December 31, 2011, as well as six month interim statements to June 30, 2012. The financial statements showed heavy losses for the first year of operations and continuing.

23. After receipt of the financial statements, RBC decided to move the account into SLAS and I assumed administration of the account.

24. On August 3, 2012, Mr. Pacheco and I attended a meeting at the Premises with Mr. McDaniel, Mr. Godard and David Muir, the Company's in-house accountant. We were given a tour of the Premises. At the time of this tour, the business operation had been shut down. We were advised at the meeting that the Company would be filing for protection under the BIA.

25. U&ME filed a Notice of Intention to make a Proposal on August 7, 2012. Attached hereto and marked as Exhibit "F" to this my affidavit is a copy of the package that was mailed to creditors. The creditor list shows claims totalling \$20,392,788.95.

26. As of the date of filing, RBC was owed approximately \$2,284,900.28, in addition to amounts owing under the Visa facility and the exposure under the letter of credit (which is covered by cash collateral).

27. Chiefton is shown as an unsecured creditor for \$2,609,591.00. I understand from MNP that this is in respect of future rental payments owing under the unexpired portion of the Premises Lease.

28. The Company brought a motion returnable on September 4, 2012 seeking a 15 day extension to file a proposal, to September 21, 2012. Attached hereto and marked as Exhibit "G" to this my affidavit are copies of:

- (a) An Affidavit of Darryl McDaniel sworn August 30, 2012 (without exhibits) in support of the extension;

- (b) The First report of MNP dated August 29, 2012;
- (c) The Extension Order dated September 4, 2012.

29. Mr. McDaniel is the CEO and president of U&ME. In his affidavit, Mr. McDaniel attributed the Company's financial difficulties to the following:

4. U&ME operates out of offices in Mississauga. U&ME is in the business of filling and distributing pouch pack containers for juice and water. U&ME has patents pending for a unique pouch design which is a major innovation in the pouch pack segment. The value of this segment in North America is estimated by the company as \$1 billion annually.

5. U&ME strongly believes in the value of the patents and this is supported by the fact that it has orders on hand or is in negotiations with prominent retailers such as Walmart, Kroger, Target and Aldi.

6. U&ME's major competitor is Kraft Canada Inc. ("Kraft"). U&ME believes it can produce competing products under private labels at a price point lower than that of Kraft. The success of this strategy is demonstrated by orders on hand from, or negotiations with, retailers such as Wal-Mart, Kroger, Target and Aldi.

...

8. Production inefficiencies resulted in higher than anticipated per unit costs preventing U&ME from achieving positive cash flow from its filling and packing operations. Shortfalls and any required capital expenditures were met by the principal shareholder and a lease with the RBC.

9. The main bottleneck has been packing the finished product in that hand packers were unable to keep up with the filling operation. Based on engineering advice and the experience of producers in other segments of the pouch pack market, U&ME believes that introducing automatic filling machines to replace the current hand pack process will enable it to meet market demand at a price sufficient to service its obligations and to provide a return to its shareholders.

10. The inefficiencies and lower than anticipated per unit costs have caused U&ME financial hardship and have caused U&ME to fail to meet its financial obligations.

11. U&ME is currently seeking a third party as a co-investor in order to introduce the automatic filling machines which will create the efficiencies needed for U&ME's operations to be profitable.

...

19. The management of U&ME and Godard have focused on finding a new investor in order to use the funds to introduce the automatic filling machines or a purchaser for the assets of U&ME. Godard has spoken to various parties interested in either purchasing the assets or investing in the current business, but have not finalized any transaction yet. I am advised by Godard, and do verily believe, that he is still in discussions with 4 or 5 interested parties as investors or business partners.

20. In an effort to reduce the cash drain, U&ME suspended most of its manufacturing operations in July and has focused in obtaining a new investor.

21. U&ME is trying to restructure and continue its business operations as soon as possible so as to try and ensure that its customer base survives the restructuring. U&ME recognizes that the Proposal process has been completed as fast as possible and that is why the company is only seeking an extension of 15 days.

30. Despite Mr. McDaniel's intentions, as expressed in his affidavit, the Company was unsuccessful in obtaining investors or purchasers within the contemplated time frame.

31. U&ME has now run out of money. RBC is prepared to provide funding to MNP for the purpose of running a sales process, provided that MNP is appointed to act as Receiver and that its activities are subject to approval of the court in the receivership. Due to large monthly expenses, including rent of approximately \$59,536.00 as well as utilities and insurance, it is critical that the process proceed expeditiously. RBC seeks

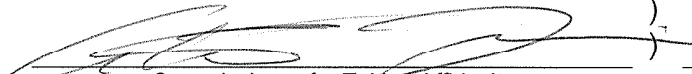
the appointment of MNP as Receiver prior to the end of this month to facilitate the payment of rent for the Premises.

32. MNP has consented to act as Receiver.

33. I am not aware of anyone who will oppose the appointment of MNP as Receiver.

34. I make this affidavit in support of the relief sought in the notice of motion and for no improper purpose.

SWORN BEFORE ME at the City of)
Toronto, in the Province of Ontario)
this 24th day of September, 2012)


Commissioner for Taking Affidavits
(or as may be)
Catherine Francis


DAVID FLEWELLING

IN THE MATTER OF THE PROPOSAL OF
U&ME BEVERAGE COMPANY
HAVING ITS PRINCIPAL PLACE OF BUSINESS
IN THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

Court File No. 32-1652926

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF DAVID FLEWELLING
SWORN SEPTEMBER 24, 2012**

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King St. W.
Toronto, ON M5H 4G2

Catherine Francis (LSUC# 26900N)
cfrancis@mindengross.com

Tel: 416-369-4137
Fax: 416-864-9223

Lawyers for Royal Bank of Canada

EXHIBIT "A"

This is Exhibit A referred to in the
 affidavit of DAVID FLEWELLING
 sworn before me, this 24th
 day of SEPTEMBER 2010

 A COMMISSIONER FOR TAKING AFFIDAVITS

DATED: December 14, 2010



BETWEEN:

CHIEFTON INVESTMENTS LIMITED

- and -

3250800 NOVA SCOTIA COMPANY



LEASE

Regarding Part of
 450 Export Boulevard
 Mississauga, Ontario



CHIEFTON INVESTMENTS LIMITED**INDUSTRIAL LEASE****TABLE OF CONTENTS**

	Section
ARTICLE I - DEMISE AND TERM	
Premises	1.01
Use of Common Areas	1.02
Term	1.03
Early Access	1.04
Option to Extend	1.05
Acceptance of Premises	1.06
Quiet Enjoyment	1.07
ARTICLE II - RENT	
Intent of Lease	2.01
Basic Rent	2.02
Calculation of Basic Rent	2.03
Additional Rent	2.04
Deposit Payable to Landlord	2.05
Payments to Landlord	2.06
Post-Dated Cheques	2.07
Overdue Rent	2.08
Set-Off	2.09
Review of Tenant's Financial Statements	2.10
ARTICLE III - TAXES	
Taxes Payable by Landlord	3.01
Taxes Payable by Tenant	3.02
Tenant's Business and Other Taxes	3.03
Payment of Taxes	3.04
ARTICLE IV - OPERATING COSTS	
Tenant's Covenant to Pay Operating Costs	4.01
Payment of Operating Costs	4.02
ARTICLE V - UTILITIES	
Utility Charges	5.01
Meters	5.02
Water Heaters	5.03
Heating	5.04
Service Contracts	5.05
ARTICLE VI - MAINTENANCE AND REPAIR	
Tenant to Maintain and Repair	6.01
Repair Where Tenant at Fault	6.02
Alterations	6.03
Notice of Accidents	6.04
Construction Liens	6.05
Removal of Fixtures and Improvements	6.06
Roof & Office Rooftop HVAC Replacement	6.07
Repairs on Termination	6.08
Landlord Repair Obligation	6.09

	Section
ARTICLE VII - ASSIGNING AND SUBLETTING	
Assigning or Subletting	7.01
Change of Control	7.02
Sublet of Part of Premises	7.03
Excess Rent	7.04
Mortgage of Leasehold	7.05
Advertising Premises	7.06
Disposition by Landlord	7.07
ARTICLE VIII - USE	
Use of Leased Premises	8.01
Rules and Regulations	8.02
Observance of Law	8.03
Waste and Nuisance	8.04
Exterior Walls	8.05
Signs	8.06
Energy Conservation	8.07
Overloading Systems	8.08
Parking	8.09
Refuse and Garbage	8.10
Overloading Floors	8.11
Plumbing Fixtures	8.12
Outside Storage	8.13
ARTICLE IX - INSURANCE AND INDEMNITY	
Tenant's Insurance	9.01
Landlord's Insurance	9.02
Not to Affect Landlord's Insurance	9.03
Limit of Landlord's Liability	9.04
Limit of Tenant's Liability	9.05
Indemnity	9.06
ARTICLE X - CONTROL OF COMPLEX	
Control of Complex	10.01
ARTICLE XI - DAMAGE AND DESTRUCTION	
Abatement of Rent	11.01
Termination	11.02
ARTICLE XII - DEFAULT	
Events of Default	12.01
Accelerated Rent	12.02
Right of Re-entry	12.03
Reletting	12.04
Distress	12.05
Right of Landlord to Cure Defaults	12.06
Cross Default	12.07
Remedies Not Exclusive	12.08
Non-Waiver	12.09
Recovery of Adjustments	12.10

THIS INDENTURE dated as of the 14th day of December, 2010,

BETWEEN:

CHEFTON INVESTMENTS LIMITED,
a corporation duly incorporated under the
laws of the Province of Ontario

(Hereinafter called the "Landlord")

OF THE FIRST PART

-- and --

3250800 NOVA SCOTIA COMPANY

(Hereinafter called the "Tenant")

OF THE SECOND PART

ARTICLE I - DEMISE AND TERM

Premises

1.01 WITNESSETH that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord does demise and lease unto the Tenant and the Tenant leases from the Landlord, the Leased Premises.

Use of Common Areas

1.02 The use and occupation by the Tenant of the Leased Premises includes the non-exclusive right of the Tenant, its employees, agents and invitees and persons having business with the Tenant, in common with the Landlord and all others entitled thereto, to use the common areas on the Lands including the driveways, sidewalks and entrances.

Term

1.03 To have and to hold the Leased Premises for and during the term of five (5) years and two (2) months commencing on the 1st day of February, 2011 (the "Commencement Date") and ending on the 31st day of March, 2016.

Early Access

1.04 Provided that: (i) the Tenant has delivered to the Landlord this Lease duly executed in form acceptable to the Landlord; (ii) the Tenant has delivered to the Landlord the deposit as set out in Section 2.05 of this Lease; and (iii) the Tenant, its employees, contractors, subcontractors, agents and representatives agree in writing with the Landlord to comply with all requirements under the Landlord's "Health and Safety Policy and Procedures Handbook" (a copy of which is available upon request), the Tenant shall be entitled to have early access ("Early Access") to the Leased Premises prior to the Commencement Date (the "Early Access Period") provided that: (a) such Early Access shall not interfere with or delay the Landlord in the performance of Landlord work (if any); and (b) the Tenant, its employees, contractors, subcontractors, agents or representatives shall not breach any of the requirements of the "Health and Safety Policy & Procedures Handbook" during such Early Access failing which such Early Access shall be denied. During the Early Access Period the Tenant shall not be obligated to pay Basic Rent but shall pay Additional Rent, including utilities, and shall observe and perform all of the Tenant's other covenants and obligations set out in this Lease.

Option to Extend

1.05 Provided this Lease is then in good standing and no Event of Default has previously occurred, the Landlord is satisfied in its sole and absolute discretion as to the strength of the Tenant's financial covenant and the Tenant agrees to assume responsibility for all end-of-term removal and restoration obligations of the prior tenant in respect of the modifications and leasehold improvements relating to its beverage operations, including without limitation the items listed in Schedule "F" hereto, (the "Assumed Restoration Obligations"), and posts sufficient security with the Landlord to cover the full cost thereof as estimated by the Landlord, then the Tenant shall have the option to extend this Lease for a further term of five (5) years upon the same term and conditions contained in this Lease except:

- (a) There shall be no further option to extend the Lease; and
- (b) The Basic Rent payable by the Tenant during such extended term shall be fair market rent as of the date of commencement of the extended term based on similar terms and similar premises in the vicinity of the Leased Premises;

- (b) from and including the 1st day of April, 2013 to and including the 31st day of March, 2016 (the "Second Rental Period") the sum of \$345,887.35 per annum to be paid in advance, in equal consecutive monthly installments of \$28,823.95 on the first day of each and every month of the Second Rental Period to the Landlord, the first of such payments to be made on the 1st day of April, 2013.

If the Term commences on any day other than the first or ends on any day other than the last day of a month, then Basic Rent for the fractions of a month at the commencement and at the end of the Term shall be adjusted pro rata on a per diem basis.

Calculation of Basic Rent

2.03 The Basic Rent is calculated on the basis of the Rentable Area of the Leased Premises being deemed to be 61,219 square feet multiplied by: (a) \$5.25 per square foot per annum during the First Rental Period; and (b) \$5.65 per square foot per annum during the Second Rental Period.

Additional Rent

2.04 The Tenant shall pay Additional Rent due and owing to the Landlord within ten (10) days of written demand therefor or as otherwise hereinafter expressly set out and all other Additional Rent on the due date thereof.

Deposit Payable to Landlord

2.05 In order to induce the Landlord to enter into this Lease and to secure all obligations and covenants of the Tenant hereunder (including without limitation, the repair and restoration obligations of the Tenant with regard to improvements to the Leased Premises) as well as the Landlord's Leasing Costs and, without limiting any claims or other remedies which the Landlord may have against the Tenant, to compensate the Landlord, in part, for damages that may be suffered by the Landlord as a result of an Event of Default and/or early termination of the Lease, the Tenant agrees to deliver to the Landlord (without any liability on the part of the Landlord for payment of interest thereon), the following deposits (receipt of which is hereby acknowledged by the Landlord):

- (a) / \$43,669.55 (inclusive of Sales Taxes), to be held by the Landlord and applied on account of the Basic Rent and Additional Rent for the first month of the Term; and
- (b) / \$137,130.57 (exclusive of Sales Taxes) (the "Second Deposit") in cash (or by way of a letter of credit issued by a Canadian Schedule 1 Bank, as in accordance with Section 16.01 of this Lease, in the form attached hereto as Schedule "G"), and subject to the terms and conditions of this Section 2.05 (b), to be held by the Landlord as security for the full and faithful performance by the Tenant of all the agreements, terms, covenants and conditions herein set forth and applied against expenses or other costs or damages incurred by the Landlord and, subject to Section 12.02 hereof to be payable as liquidated damages and not as penalty, upon forfeiture, default or early termination, without prejudice to any further claims by the Landlord for damages and/or any remedy for recovery thereof. Provided the Tenant is not then in default of any terms or conditions of this Lease beyond any applicable cure period, one-third (1/3) of the Second Deposit shall be applied to the Basic Rent for each of the last two (2) months of the Term. In the event the Tenant observes and performs the terms and conditions on its part under this Lease throughout the Term and the Leased Premises are then in proper repair, the remaining one-third (1/3) of the Second Deposit shall be returned to the Tenant within thirty (30) days following the expiry of the Term of this Lease.

Payments to Landlord

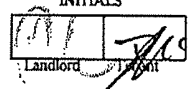
2.06 All payments to be made by the Tenant to the Landlord under this Lease shall be made at the address hereinafter designated or, at such other place or places as the Landlord may designate in writing, or to such agent of the Landlord as the Landlord may from time to time direct. In the case of any default in payment of Rent hereunder, the Landlord may at its option apply the next payments received by the Tenant firstly toward overdue charges, secondly to overdue Rent and lastly to Rents currently owing.

Post Dated Cheques

2.07 If the Tenant is late in the payment of any Rent (or any part thereof) in any two (2) consecutive months or more than twice in any twenty-four (24) month period, then the Tenant shall forthwith provide the Landlord upon demand with post-dated cheques for Rent for the ensuing twelve (12) month period, together with post-dated cheques for the next twelve (12) month period on or before the date of the last or latest of the initial post-dated cheques so delivered.

Overdue Rent

2.08 The Tenant covenants to pay the Basic Rent and all other charges provided for in this Lease on their respective due dates in full. The Tenant shall pay the Landlord an administration fee of \$200.00 for each month or part thereof plus interest on all overdue Rent, such interest to be calculated from the date upon which the amount is first due hereunder until actual payment thereof and at a rate of five percent (5%) per annum in excess of the minimum lending rate charged to prime commercial borrowers by the Landlord's bank from time to time. Notwithstanding the foregoing, if Rent is not paid on its due date more than twice in any twenty-four (24) month period, then thereafter for each subsequent occasion on

INITIALS

 Landlord

which the Tenant is late in the payment of Rent, in whole or in part, beyond the date appointed for the payment thereof, the Tenant shall pay to the Landlord interest equal to 2% of such Rent payable for that month calculated monthly for each and every month (or part month) that such Rent remains outstanding. Interest as aforesaid shall be deemed to be Rent hereunder.

Set-Off

2.09 All Rent payable by the Tenant to the Landlord shall be paid without any deduction, set-off or abatement whatsoever except as hereinafter expressly provided.

Review of Tenant's Financial Statements

2.10 If the Tenant is late in the payment of any Rent (or any part thereof) in any two (2) consecutive months or more than twice in any twenty-four (24) month period, then the Tenant shall, at its own cost and expense, forthwith provide the Landlord upon demand with audited current financial statements and such other financial records and books of account of the Tenant as may be required by the Landlord so as to adequately enable it to determine to its satisfaction the financial status of the Tenant.

ARTICLE III - TAXES

Taxes Payable by Landlord

3.01 The Landlord shall pay the Taxes charged on the Complex to the applicable taxing authority, subject to reimbursement by the Tenant as hereinafter set out. The Landlord shall have no obligation to contest or litigate the imposition of any Taxes. The Landlord may defer payment of Taxes to the extent permitted by law if it diligently pursues or causes to be pursued the contest or appeal of the Taxes. The Tenant shall not have any obligation to pay interest or penalties on Taxes unless the Tenant's default in payment of Taxes is the cause of such interest or penalties.

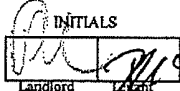
Taxes Payable by Tenant

- 3.02 (a) If there is a separate assessment for Taxes with respect to the Leased Premises (which separate assessment shall be deemed to include any valuation of the Leased Premises by the relevant realty tax assessor, as evidenced by such assessor's separate valuation and/or working papers that may be available to the Landlord from time to time), and if such separate assessment together with all other separate assessments for such other lands and/or buildings included in the assessment roll (the "Complex") equals the total assessment for Taxes for the Complex, and if the Landlord so directs, the Tenant shall pay as Additional Rent, the amount calculated by multiplying such assessment for the Leased Premises by the applicable Tax Rate which amount shall, for the purposes of this Article III only and notwithstanding anything else herein contained, be the Tenant's "Proportionate Share" of Taxes for the Complex.
- (b) If there is no separate assessment for Taxes with respect to the Leased Premises, or if there is a separate assessment but such assessment together with all other separate assessments relating to the Complex does not equal the total assessment for the Taxes for the Complex, then until such time as there is a separate assessment for Taxes with respect to the Leased Premises which together with all other such separate assessments equals the total assessment for Taxes for the Complex, and until such time as the Landlord has issued a direction to pay Taxes pursuant to paragraph (a) of this Section 3.02, the Tenant shall pay to the Landlord, as Additional Rent, its Proportionate Share of the Taxes for the Complex, adjusting the occupied tax rate for the Tenant's specific use of the Leased Premises; provided that the Landlord may, at its option, apportion the total assessment for Taxes for the Complex amongst the leaseable premises of the Complex, including the Leased Premises, based on generally accepted real estate appraisal practices applied consistently and equitably.
- (c) Notwithstanding paragraphs (a) and (b) of this Section 3.02, if the Leased Premises or the Complex is not fully assessed as an occupied commercial or industrial property for determination of Taxes in any Year, then the Landlord shall adjust the Taxes to an amount that would have been determined if the Leased Premises and the Complex were fully assessed as an occupied commercial or industrial property. Furthermore, if the Leased Premises are at any time during the Term assessed for the support of Separate Schools, or if the Taxes are increased by reason of any installations made in or upon or any alterations made in or to the Leased Premises by the Tenant or by the Landlord on behalf of the Tenant, the Tenant shall pay the amount of such increase forthwith to the Landlord upon receipt of notice thereof.

Tenant's Business and Other Taxes

3.03 In addition to the Taxes payable by the Tenant pursuant to Section 3.02, the Tenant shall pay to the lawful taxing authorities or to the Landlord if the Landlord so directs:

- (a) all taxes, rates, duties, assessments and other charges that are levied, rated, charged or assessed against or in respect of all improvements, equipment and facilities of the Tenant on or in the Leased Premises or the Complex or any part thereof; and

INITIALS

 Landlord Tenant

- (b) every tax and license fee which is levied, rated, charged or assessed against or in respect of and every business carried on in the Leased Premises or in respect of the use or occupancy thereof or any part of the Lands or the Building by the Tenant and every subtenant or licensee of the Tenant or against the Landlord on account of its interest in the Complex, and whether in any case, any such taxes, rates, duties, assessments or license fees are rated, charged or assessed by any federal, provincial, municipal, school or other body during the Term; and
- (c) the full amount of any taxes in the nature of a business transfer tax, value added tax, sales tax or any other tax levied, rated, charged or assessed in respect of the Rent payable by the Tenant under this Lease or in respect of the rental of space under this Lease, whether characterized as a goods and services tax, sales tax, harmonized sales tax, value added tax, business transfer tax or otherwise (collectively called "Sales Taxes").

Payment of Taxes

3.04 (a)

The Landlord shall be entitled at any time or times in any Year, upon at least fifteen (15) days notice to the Tenant to require the Tenant to pay to the Landlord the Tenant's Proportionate Share of the Taxes for such Year in equal monthly installments. Such monthly amount shall be determined by dividing the Tenant's Proportionate Share of Taxes by the number of months for the period from January 1st in each Year of the Term until the due date of the final installment of Taxes as established by the applicable taxing authority from time to time in each Year ("Installment Period") and shall be paid by the Tenant to the Landlord, monthly as Additional Rent, on the date for payment of monthly rental payments during the Installment Period. The Landlord shall be entitled subsequently during such Year, upon at least fifteen (15) days notice to the Tenant, to revise its estimate of the amount of increase of such Taxes and the said monthly installment shall be revised accordingly. All amounts received under this provision in any Year on account of the estimated amount of such Taxes shall be applied in reduction of the actual amount of such Taxes for such Year. If the amount received is less than the Tenant's Proportionate Share of the actual Taxes, the Tenant shall pay any deficiency to the Landlord as Additional Rent within fifteen (15) days following receipt by the Tenant of notice of the amount of such deficiency. If the amount received is greater than the Tenant's Proportionate Share of the actual Taxes, the Landlord shall either refund the excess to the Tenant as soon as possible after the end of the Year in respect of which such payments were made or, at the Landlord's option, shall apply such excess against any amounts owing or becoming due to the Landlord by the Tenant, provided that if the Tenant is then in default hereunder, the Landlord may defer dealing with such excess until the default is cured.

Within a reasonable time after the end of each such Year, the Landlord shall furnish the Tenant with a statement of Taxes (the "Tax Reconciliation Statement") during such Year stipulating the amount of the Tenant's Proportionate Share and any necessary re-adjustments as to amounts paid by the Tenant on account of Taxes shall be made between the Landlord and the Tenant. The Tenant shall have ninety (90) days after receipt of such Tax Reconciliation Statement to dispute the Tax Reconciliation Statement by way of notice in writing to the Landlord failing which the Tax Reconciliation Statement shall be conclusive and binding upon the Tenant. In the event the Tenant disputes any Tax Reconciliation Statement by notice in writing to the Landlord within not more than ninety (90) days after receipt of such Tax Reconciliation Statement and the parties are unable to resolve the dispute within thirty (30) days thereafter, (the Landlord hereby agreeing to provide reasonable details regarding the manner in which Taxes have been allocated to the Tenant) then the Landlord shall have its independent consultant prepare a report (the "Report"). The Report shall be at the Tenant's sole cost and expense to be added to Additional Rent hereunder unless the Report states that Taxes as determined by the independent consultant are actually lower by three percent (3%) or more than Taxes as stated in the disputed Tax Reconciliation Statement, in which case the Report shall be at the Landlord's sole cost and expense. The Report shall be conclusive and binding upon the Tenant, other than matters of legal interpretation which are brought to the Landlord's attention in writing within thirty (30) days of receipt of the Report;

- (b) Taxes payable pursuant to paragraphs (a) and (b) of Section 3.03 shall be paid by the Tenant when due if separate tax bills are issued and otherwise shall be paid to the Landlord within ten (10) days written demand therefor.
- (c) Taxes payable pursuant to paragraph (c) of Section 3.03 shall be paid to the Landlord within ten (10) days written demand therefor or at such time or times as the Landlord from time to time determines by notice in writing to the Tenant.
- (d) If the Term of this Lease commences or ends on any day other than the first or last day, respectively, of a Year, the Tenant shall be liable only for the portion of the Taxes for such Year as falls within the Term, determined on a per diem basis.

ARTICLE IV - OPERATING COSTS

Tenant's Covenant to Pay Operating Costs

4.01 The Tenant covenants to pay to the Landlord as Additional Rent the Tenant's Proportionate Share of the Operating Costs for the Year during each Year of the Term in accordance with the provisions of Section 4.02.

Payment of Operating Costs

4.02 The Landlord shall be entitled at any time or times in any Year, upon at least fifteen (15) days' notice to the Tenant to require the Tenant to pay to the Landlord monthly, on the date for payment of monthly rental installments, as Additional Rent, an amount equal to one-twelfth (1/12) of the amount estimated by the Landlord to be the amount of the Tenant's Proportionate Share of the Operating Costs for such Year. The Landlord shall be entitled subsequently during such Year, upon at least fifteen (15) days' notice to the Tenant, to revise its estimate of the amount of the Tenant's Proportionate Share of the Operating Costs and the said monthly installment shall be revised accordingly. All amounts received under this provision in any Year on account of the estimated amount of the Tenant's Proportionate Share of the Operating Costs shall be applied in reduction of the actual amount of the Tenant's Proportionate Share of the Operating Costs for such Year. Within a reasonable time after the end of the period for which the estimated payments have been made, the Landlord shall deliver to the Tenant a written statement (the "Reconciliation Statement") setting out in reasonable detail the amount of the Operating Costs for such period calculated on the basis of a calendar year and the Tenant's Proportionate Share thereof. If the amount received is less than the actual amount of the Tenant's Proportionate Share of the Operating Costs for such Year, the Tenant shall pay any deficiency to the Landlord as Additional Rent within fifteen (15) days following receipt by the Tenant of notice of the amount of such deficiency. If the amount received is greater than the actual amount of the Tenant's Proportionate Share of the Operating Costs, the Landlord shall either refund the excess to the Tenant as soon as possible after the end of the Year in respect of which such payments were made, or at the Landlord's option, shall apply such excess against any amounts owing or becoming due to the Landlord by the Tenant, provided that if the Tenant is then in default hereunder, the Landlord may defer dealing with such excess until such default is cured.

Upon written request from the Tenant (Tenant agreeing to act reasonably and in a bona fide manner in making a request), the Landlord shall make available to the Tenant (at the Landlord's office and on a confidential basis) reasonable information pertaining to the Year for which the Reconciliation Statement has been rendered and which is readily available within Landlord's possession or control in order to assist Tenant in substantiating the Reconciliation Statement ("Additional Information"). The Tenant shall have ninety (90) days following the delivery of the Reconciliation Statement to notify the Landlord in writing that it disputes or continues to dispute the Reconciliation Statement (or any Additional Information or the sufficiency of Additional Information), failing which the Reconciliation Statement (and any Additional Information delivered by the Landlord) shall be deemed to be sufficient, accurate, conclusive and binding on the Tenant in all respects. If the Tenant disputes or continues to dispute any portion of the Reconciliation Statement (or the Additional Information or the sufficiency of the Additional Information), its sole remedy shall be to give the Landlord written notice specifying the items or issues in dispute and requiring the Landlord to have its external accountant review the Reconciliation Statement (and Additional Information, if applicable) and prepare a report (the "Report") in respect of the disputed items, provided that such notice shall be delivered to the Landlord within ninety (90) days following delivery of the Reconciliation Statement, failing which the Reconciliation Statement shall be deemed to be accurate, conclusive and binding on the Tenant in all respects. Such Report shall be at the Tenant's sole cost and expense (to be added to Additional Rent hereunder) unless the Report states that Operating Costs as determined by such accountant are actually lower by three (3%) percent or more than Operating Costs as set out in the Reconciliation Statement, in which case such Report shall be at the Landlord's sole cost and expense. Any Report issued by the Landlord's accountant shall be conclusive and binding upon the Tenant, other than matters of legal interpretation which are brought to the Landlord's attention in writing within thirty (30) days of receipt of the Report.

If as a result of the Landlord providing any Additional Information or Report to the Tenant, it is determined that any item shown on the Reconciliation Statement is not accurate (whether or not such item was in dispute), the parties will make appropriate adjustments to such items for the Year concerned, and any corrected amount on account of Operating Costs determined to be owing by the Tenant to the Landlord, as a result of such readjustment, shall be payable within fifteen (15) days of demand. Any corrected amount determined to be owing by the Landlord to the Tenant shall be payable within fifteen (15) days of the Tenant confirming to the Landlord in writing that all issues concerning the Reconciliation Statement in question have been resolved, or at the Landlord's option, such corrected amount may be applied against any amounts owing or becoming due to the Landlord by the Tenant.

Any request for Additional Information or a Report hereunder must be made by the named Tenant herein or a permitted assignee of the Tenant's interest in this Lease, and the Landlord shall not be required to respond if: i) the request is not made within the ninety (90) day period following the delivery of the Reconciliation Statement concerned; or ii) at the time of making any such request the Tenant is insolvent or otherwise in default under this Lease. Should the Tenant choose to use an agent to review any Additional Information or Report or to assist it in verifying the Reconciliation Statement or any Additional Information, it shall disclose to the Landlord the terms of the agent's engagement, and the Landlord may require that all communications be conducted through a senior financial officer of the Tenant. The Tenant expressly agrees that any such agent shall not be retained by Tenant on a contingency fee basis and must be an accounting or other recognized consulting firm that agrees to maintain the confidentiality of all information received by it.

INITIALS

Landlord	Tenant

ARTICLE V - UTILITIES**Utility Charges**

5.01 The Tenant shall pay to the Landlord, or if the Landlord so directs, to suppliers thereof on the due dates, all charges for electric current and all other utilities supplied to or used in connection with the Leased Premises. If there are no separate meters for measuring the consumption of such utilities, the Tenant shall pay to the Landlord, in advance by monthly installments as Additional Rent, such amount as may be reasonably estimated by the Landlord's engineer from time to time as the cost of such utilities for the Leased Premises (which amount shall include, without limitation, the Landlord's management fee of fifteen percent (15%) of the invoiced charges therefore). In the event of any dispute between the Landlord and the Tenant as to the amount of such utility costs, the opinion of the Landlord's engineer shall be final and binding on the Landlord and the Tenant. In no event and notwithstanding anything to the contrary in this Lease, shall the Landlord be liable for any temporary or additional utility costs or charges, any business loss or injury to the Tenant, its servants, agents, employees, customers or invitees or to any property of the Tenant or any loss or injury to any property of any other person, firm or corporation on or about the Leased Premises caused by an interruption or failure in the supply of any such utilities to the Leased Premises.

Meters

5.02 In the event of any abnormal consumption of any utility on the Leased Premises due to the nature of the Tenant's business or the use of particular machinery, equipment or appliances, the Landlord shall have the right to require the Tenant to install a separate meter at the Tenant's expense. The Tenant shall advise the Landlord forthwith of any installations, appliances, machinery or equipment used by the Tenant which consume or are likely to consume large amounts of electricity, water or other utilities.

Water Heaters

5.03 In the event that the Tenant shall require a hot water heater or heaters, the Tenant agrees to lease same from the supplier of such utility and to pay all charges as same become due for rental or work services required in connection therewith.

Heating

5.04 The Tenant covenants and agrees to heat the Leased Premises at its own expense to a reasonable temperature to prevent the occurrence of any damage to the Leased Premises and/or the Building, by cold or frost.

Service Contracts

5.05 The Tenant covenants and agrees to take out and keep in force throughout the Term, at its own cost, a standard servicing contract (the "Servicing Contract") with a capable and reputable company for the preventative maintenance and service of the heating units and furnaces and air-conditioning equipment serving the Leased Premises (the "Equipment"), such contract to include, without limitation, the quarterly inspection of rooftop heating and cooling units and controls and the annual inspection of exhaust fans, electric force flow heaters, electric heating coils and gas fired unit heaters. During each such inspection, the manufacturer's recommended service shall be carried out, all air filters shall be replaced, any required adjustments to V-belt drives shall be made, and all other required service shall be undertaken. The Tenant agrees to provide the Landlord, annually throughout the Term, confirmation of Equipment maintenance and service in the form attached hereto as Schedule "D", which confirmation shall include, without limitation, copies of each Servicing Contract together with reports of the service contractor setting out the maintenance work undertaken. Should the Tenant fail to provide the Landlord with copies of each Servicing Contract or such annual confirmation of maintenance and service by the end of each calendar year, the Landlord may, following five (5) days written notice during which period the Tenant has failed to deliver such material to the Landlord, at its option, without obligation, inspect the Equipment and the Landlord's cost of such inspections and any re-inspections in connection therewith, plus the Landlord's management fee of 15% of such costs, shall be paid to the Landlord by the Tenant forthwith on demand as Additional Rent.

ARTICLE VI - MAINTENANCE AND REPAIR**Tenant to Maintain and Repair**

6.01 Subject only to Section 6.07 of this Lease, the Tenant shall at its own cost repair, replace, maintain and keep the Leased Premises and every part thereof, including without limitation the Leasehold Improvements and the heating, ventilating and air-conditioning equipment serving the Leased Premises (whether within or outside of the Leased Premises), fixtures and furnishings (whether or not installed or furnished by the Tenant), in good and substantial repair and condition as a prudent owner would do. The Tenant agrees that the Landlord may, upon twenty-four (24) hours prior written notice to the Tenant (except in the case of emergency when no prior notice shall be required) enter and view the state of repair and condition and that the Tenant shall repair in accordance with notice in writing from the Landlord; provided that if the Tenant neglects to so maintain or to make such repairs or replacements promptly after notice, the Landlord may, at its option and without obligation, do such maintenance or make such repairs or replacements at the expense of the Tenant, and in any and every such case the Tenant covenants with the Landlord to pay to the Landlord forthwith as Additional Rent all sums which the Landlord may have expended in doing such maintenance and making such repairs and/or replacements together with such further or other costs or fees pursuant to Section 12.06 of this Lease; provided further that the doing of such maintenance or the making of any such repairs or replacements by the Landlord shall not relieve the Tenant from its obligation to maintain, repair and replace.

Repair Where Tenant at Fault

6.02 Subject to Section 9.05 hereof, if the Lands or the Buildings or any other improvements on the Lands require repair or become damaged or destroyed through the use of the Leased Premises or the willful act, negligence, carelessness or misuse of the Tenant or those for whom at law it is responsible, the expense of the necessary repairs, replacements or alterations, together with such further or other costs or fees pursuant to Section 12.06 of this Lease shall be borne by the Tenant who shall pay the same to the Landlord forthwith upon demand as Additional Rent.

Alterations

6.03 The Tenant shall not, without the prior written approval of the Landlord (such approval not to be unreasonably withheld or delayed), make any installations, alterations, additions, partitions, repairs or improvements ("Changes") in or to the Leased Premises, provided that the Landlord's approval may be unreasonably withheld if such Changes affect the structural portions of the Leased Premises or the electrical, lighting, heating, ventilating, air-conditioning, sprinkler, fire protection or other systems therein (the "Base Building Systems"). The Landlord's approval shall not be required with respect to any non-structural Changes that do not involve or directly affect the Base Building Systems and cost in the aggregate of \$50,000.00 or less and do not require a building permit so long as the Tenant delivers to the Landlord "as built" drawings of such changes as soon as is practical. The Tenant's request for approval shall be in writing and accompanied by an adequate description of the contemplated work and the working drawings and specifications therefor in print form and on CAD disks. The Landlord's costs of having its architects, engineers or others examine such drawings and specifications shall be payable by the Tenant upon demand as Additional Rent. Once consent of the Landlord has been obtained in connection with any such work, the Tenant shall not make any modifications thereto (including, without limitation, changes required in order to obtain a building permit) unless and until it has submitted revised drawings and specifications and obtained the Landlord's further written approval of the proposed changes. The Landlord may require that any or all such work be done by contractors or workmen first approved by the Landlord, acting reasonably, and where the Landlord is working inside the Leased Premises at the time of such approval, the Landlord may require that such contractors and workmen have union affiliations compatible with those of the Landlord's contractors and workmen). All such work shall be subject to inspection by and the reasonable supervision of the Landlord and shall be performed in accordance with all Applicable Laws and any reasonable conditions and regulations imposed by the Landlord (including but not limited to payment of a reasonable security deposit to ensure the Tenant's compliance with the obligations hereunder and the Landlord's reasonable supervision fees), and shall be completed in a good and workmanlike manner and with reasonable diligence in accordance with the approvals given by the Landlord. Any connections of apparatus to the base electrical, plumbing, heating, ventilating or air-conditioning systems shall be deemed to be an alteration within the meaning of this Section. The Tenant shall, at its own cost and before commencement of any work, obtain all necessary building or other permits and keep same in force. The Tenant shall not apply for any applicable permits or approvals unless the Tenant provides to the Landlord a copy of the approval or permit application, as the case may be, together with all supporting documentation or drawings attached thereto and obtains the Landlord's authorization in writing to submit such application to the relevant authority. The Tenant shall obtain and provide to the Landlord within a reasonable period of time from substantial completion a final inspection and clearance of such work permits/approvals. Within sixty (60) days of substantial completion of the work, the Tenant shall also deliver to the Landlord "as-built" drawings in print form and on CAD disks, failing which the Landlord shall be entitled to charge the Tenant \$50.00 for each day of delay until the required drawings are in the Landlord's possession. Notwithstanding the foregoing, the Landlord's consent shall not be required in connection with the Tenant's routine repairs and equipment hook-ups (other than installation of security systems that affect fire exits) where no building permit or modification to base Building systems is required. The Tenant acknowledges and agrees that notwithstanding that the Landlord may review and approve or undertake on behalf of the Tenant the installation of any alterations or Tenant modifications or improvements in or relating to the Leased Premises, it is the responsibility of the Tenant (and not that of the Landlord) to ensure that such alterations, modifications and improvements and the Tenant's occupancy thereof fully comply in all respects with Applicable Laws, including, without limitation, ensuring that all exit doors and corridors, door locking mechanisms and security systems comply with applicable fire codes and regulations from time to time in effect. Should the Tenant fail to deliver any required final "as-built" drawings or specifications, the Landlord shall be entitled to prepare the same on behalf of the Tenant, and should the Tenant otherwise fail to comply with any of the other requirements of this Section 6.03, the Landlord may (without obligation) complete such restoration, modify its building records, and/or conduct such inspections and re-inspections, all as it may deem necessary, and the Landlord's cost in so doing shall be paid by the Tenant to the Landlord together with fifteen percent (15%) of such costs as a management and supervisory fee, forthwith on demand as Additional Rent.

Notice of Accidents

6.04 The Tenant shall notify the Landlord promptly and in writing of any accident or damages to or defect in the Leased Premises, the Building, or any part thereof including, without limitation, the heating, ventilating and air conditioning apparatus, water and gas pipes, telephone lines, electrical apparatus or other building services of which it is aware.

Construction Liens

6.05 The Tenant covenants to pay promptly all its contractors and material men and do any and all things necessary to minimize the possibility of a lien attaching to the Leased Premises or to any part of the Building or the Lands and, should any such lien be made or filed, the Tenant shall discharge the same forthwith (after notice thereof is given to the Tenant), but in any event not later than ten (10) days after notice, at the Tenant's expense. In the event the Tenant shall fail to cause any such lien to be discharged as aforesaid, then, in addition to any other right or remedy of the Landlord, the Landlord may, but it shall not be so obligated, vacate from title or discharge same by paying into Court the amount necessary to

INITIALS

 Landlord Tenant

vacate the lien or by paying directly to any such lien claimant the amount of the claim, and the amount so paid by the Landlord and all costs and expenses including but not limited to solicitor's fees (on a substantial indemnity basis), incurred for the discharge of such lien shall be due and payable by the Tenant to the Landlord as Additional Rent on demand. In the event that any lien claimant in respect of work performed on behalf of the Tenant commences an action in which the Landlord is named as a party defendant and service of the statement of claim is effected upon the Landlord, the Tenant shall indemnify the Landlord for all of its legal costs in connection with such action until the final disposition thereof upon which such sum, less any amounts deducted therefrom as costs incurred by the Landlord in connection with such action, shall be returned to the Tenant.

Removal of Fixtures and Improvements

6.06 Leasehold Improvements shall immediately become the property of the Landlord upon affixation or installation without compensation therefor to the Tenant but the Landlord is under no obligation to repair, maintain or insure Leasehold Improvements. Leasehold Improvements shall not be removed from the Leased Premises either during or at the expiration or earlier termination of the Term, except that the Tenant shall, at the end of the Term remove such Leasehold Improvements installed or constructed by or on behalf of the Tenant as the Landlord may require to be removed. The Tenant may, during the Term, remove its Trade Fixtures provided that the Tenant is not in default under this Lease. The Tenant shall at the expiration or earlier termination of the Term remove all of its Trade Fixtures from the Leased Premises together with any associated process piping, plumbing, cabling, wiring and duct work back to base building and properly repair any damage and/or openings resulting from such removal, provided that the Tenant shall not be responsible for completing the Assumed Restoration Obligations as they are related to the previous tenant's beverage operations, unless it extends the initial Term of this Lease or remains in occupation of the Leased Premises beyond the initial Term of this Lease, in which case the Tenant shall be responsible, at its own cost, for such obligations. Any removal of Leasehold Improvements and/or the Tenant's Trade Fixtures shall be done at the Tenant's sole cost and expense and the Tenant shall forthwith repair at its own cost any damage caused to the Leased Premises or the Building or any part thereof by the installation or removal of Leasehold Improvements and/or Trade Fixtures. If the Tenant does not remove its Trade Fixtures at the expiration or earlier termination of the Term, then the Trade Fixtures shall, at the option of the Landlord, become the property of the Landlord and may be removed from the Leased Premises and/or sold or otherwise disposed of by the Landlord in such manner as it deems advisable, all at the sole cost and expense of the Tenant. For greater certainty, the Tenant's Trade Fixtures shall not include any heating, ventilating or air-conditioning equipment or other building services or floor covering affixed to the floor of the Leased Premises. The obligations of the Tenant set forth in this Section shall survive the expiry or other termination of the Term.

Notwithstanding the above, the Tenant shall have the right to take the benefit of any capital cost allowance or other applicable allowance to which it may be entitled under the *Income Tax Act of Canada* any successor Act or any applicable provincial or municipal laws for any alteration, decoration, addition and improvement made and paid for by the Tenant and which by definition becomes the property of the Landlord.

Roof & Office Rooftop HVAC Replacement

6.07 The Tenant covenants to pay to the Landlord as Additional Rent hereunder the amount of \$0.25 per square foot of the Rentable Area of the Leased Premises per annum toward eventual built-up roof and roof membrane replacement and the amount of \$0.03 per square foot of the Rentable Area of the Leased Premises per annum toward eventual replacement of office area rooftop HVAC units including major components (i.e. compressors and heat exchangers). Provided that: (i) the Tenant has been charged and has paid such amounts; (ii) the office rooftop HVAC equipment or built-up roof and roof membrane replacement as the case may be, is not required due to the negligence or misuse of the Tenant; and (iii) in the case of the office rooftop HVAC units, the Tenant has complied with its reporting and maintenance obligations hereunder, then the Landlord shall, at its expense, replace the office rooftop HVAC units, including the major components thereof, and the built-up roof and roof membrane when the same reach the end of their economically useful lives, as determined by the Landlord, acting reasonably. The foregoing charges shall be paid in equal monthly installments as Additional Rent and shall be fixed for the initial Term of this Lease but shall be adjusted by the Landlord at the commencement of any extension to amounts that equal the then replacement costs amortized, in the case of the built-up roof (including the membrane), over a twenty-five (25) year period and, in the case of the office rooftop HVAC units, over a ten (10) year period.

Repair on Termination

6.08 At the expiration or sooner termination of the Term the Tenant shall, at its own expense:

- (a) deliver up possession of the Leased Premises to the Landlord together with all Leasehold Improvements which the Tenant is required or permitted to leave therein or thereon in the same condition in which the Tenant is required under this Lease to repair and maintain the Leased Premises, free and clear of all encumbrances and in a clean and tidy condition and free of all grease, dust, odours, stains and rubbish (including, without limitation, clean up of and repair of any damage to the floor surface caused by the Tenant's operations at the Leased Premises) and to deliver to the Landlord all keys and security devices;
- (b) remove from the Complex, at the option of and to the satisfaction of the Landlord, all machine bases, cabling (electrical or otherwise), piping (pneumatic, water or otherwise) and wiring (electrical, computer or otherwise) and wall plates for telephones, computers and other appliances (together with associated repairs such as drywall patching and painting as may be required by the Landlord) installed

by or on behalf of the Tenant, provided, for greater certainty, that the Tenant shall not be responsible for completing the Assumed Restoration Obligations as they related to the previous tenant's beverage operations, unless the Tenant continues to occupy the Leased Premises beyond the initial Term of this Lease, in which case it shall be responsible for such obligations;

- (c) remove any and all materials which may be deemed by any applicable legislation as contaminated or hazardous and which have been: (i) brought onto the Complex by the Tenant (or its agents, employees, contractors, licenses or those for whom it is responsible for at law) during the Term; and (ii) brought into the Leased Premises during the Term, and clean up any and all resultant contamination in compliance with all Applicable Laws and regulations; and
- (d) remove from the Complex, in compliance with all Applicable Laws and regulations, any and all storage and/or holding tanks and associated bases (whether above or below ground) installed by or on behalf of the Tenant and all pits, trench drains and sloped floors created by or on behalf of the Tenant and restore the Leased Premises to base building condition in good repair, provided, for greater certainty, that the Tenant shall not be responsible for completing the Assumed Restoration Obligations as they related to the previous tenant's beverage operations, unless the Tenant continues to occupy the Leased Premises beyond the initial Term of this Lease, in which case it shall be responsible for such obligations.

The covenants contained in this Section shall survive the expiry or other termination of the Term and if the Tenant should breach any of the foregoing provisions of this Section then, without prejudice to or limitation of any of the rights or remedies of the Landlord hereunder or at law and in addition to paying any costs or expenses incurred by the Landlord, together with such further or other costs or fees pursuant to Section 12.06 of this Lease, the Tenant shall at the option of the Landlord be deemed to be an overholding monthly tenant for so long as it may reasonably take to complete the required repairs, removal, restoration or clean-up, and during such period, the Tenant shall pay the Rent required hereunder to be paid by an overholding tenant, notwithstanding that the Tenant may have vacated the Leased Premises.

Landlord's Repair Obligation

6.09 In the event that any of the footings, foundations, bearing walls, structural steel and/or metal roof deck (excluding, for clarity, the roof membrane) of the Building require repair or replacement due to defects in their original construction or design, the same shall be undertaken by the Landlord at its own expense without chargeback to the Tenant. The Landlord shall complete, at the Tenant's cost and expense, routine repairs to and maintenance of such exterior Building components as well as repairs, maintenance and replacements to such components required as a result of the Tenant's specific use thereof or its operations or activities at the Leased Premises or any negligent act or omission of the Tenant, its employees, agents, contractors or those for whom in law the Tenant is responsible, together with the Landlord's management fee of fifteen percent (15%) of the costs and expenses incurred. For greater certainty, the Tenant shall be responsible for completing, and shall bear the full cost of, all routine repairs to and maintenance of such Building components in the Leased Premises as well as repairs, maintenance and replacements to such components required as a result of the Tenant's specific use thereof or its operations or activities at the Leased Premises or any negligent act or omission of the Tenant, its employees, agents, contractors or those for whom in law the Tenant is responsible.

ARTICLE VII - ASSIGNING AND SUBLETTING

Assigning or Subletting

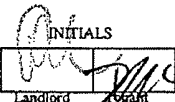
- 7.01 (a) The Tenant shall not assign this Lease or sublet or franchise, license, grant concessions in, or otherwise part with or share possession of the Leased Premises, or any part thereof, (each of the foregoing hereinafter referred to as a "Transfer") without the prior written consent of the Landlord, such consent not to be unreasonably withheld; at the time the Tenant requests such consent the Tenant shall deliver to the Landlord such information in writing (the "required information") as the Landlord may reasonably require, including, without limitation, a copy of the proposed offer or agreement, if any, to Transfer and the name, address and nature of business and evidence as to the financial strength of the proposed assignee or subtenant or other user (any of the foregoing hereinafter referred to as a "Transferee"). The Landlord shall have fifteen (15) days from the date of its receipt of the required information to respond to the Tenant's request for any consent to a Transfer.

Notwithstanding anything else herein contained, in no event shall any Transfer of this Lease release or relieve the Tenant in any regard whatsoever from any of its obligations or liabilities under or in respect of this Lease including any renewal or extension thereof.

PROVIDED however, and it is made a condition to any Transfer that:

- (i) The proposed Transferee of this Lease shall agree in writing with the Landlord to assume and perform all of the terms, covenants, conditions and agreements by this Lease imposed upon the Tenant herein in a form to be approved by the solicitor for the Landlord (which form shall also be executed by the Tenant) and shall obtain occupancy approval from the local building and fire departments and provide evidence thereof to the Landlord prior to taking occupancy of the Leased Premises;

- (ii) The Transferee shall also waive any rights which it may have at common law in respect of relief from forfeiture and any rights it may have pursuant to Sections 21 and 39 (2) of the *Commercial Tenancies Act* (Ontario), as amended from time to time;
 - (iii) The Tenant shall pay the Landlord all legal fees and all reasonable property inspection and administration fees in connection with the Transfer;
 - (iv) The consent of the Landlord is not a waiver of the requirement of the Landlord's consent for subsequent Transfers;
 - (v) The acceptance by the Landlord of Rent from a Transferee without the Landlord's consent shall not constitute a waiver of the requirement of such consent nor shall it constitute an acceptance of such party as the Tenant;
 - (vi) The Landlord may, at its option, cancel any rights of first refusal or first opportunity on additional space referred to in this Lease, if any;
 - (vii) The Leased Premises, at the time of the Transfer, shall comply in all respects with the standard of repair and maintenance required of the Tenant pursuant to this Lease and the Lease shall otherwise be in good standing;
 - (viii) The Landlord shall have received from the Tenant or the Transferee a cash deposit or letter of credit (on terms satisfactory to the Landlord) equal to the last two (2) month's Basic Rent hereunder (pro-rated in the case of a request relating to a portion only of the Leased Premises), as security for the performance of the repair and maintenance obligations of the Tenant and the Transferee, to be held by the Landlord pending delivery up of the Leased Premises (or the portion thereof which is subject to the Transfer) by the Transferee in the condition and to the standard required hereunder;
 - (ix) If the Transfer of the Leased Premises does not take place within sixty (60) days of the giving of consent by the Landlord the consent shall, at the Landlord's option, expire and become null and void; and
 - (x) If, following any assignment of this Lease, it is disaffirmed, disclaimed or terminated by any trustee in bankruptcy of a Transferee, the original Tenant named in this Lease will be deemed on notice from the Landlord given within sixty (60) days from the date of such disaffirmation, disclaimer or termination to have entered into a Lease with the Landlord containing the same terms and conditions as in this Lease.
- (b) If a Transfer occurs without the consent of the Landlord when required, the Landlord may collect Rent from the party in whose favour the Transfer was made and apply the net amount collected to the Rent herein reserved but no such Transfer will be considered a waiver of this covenant or the acceptance of the party in whose favour the Transfer was made as a tenant hereunder.
- (c) The Tenant acknowledges and agrees that the Landlord is permitted to take into account all reasonable factors, information and other criteria regarding a proposed Transferee when considering a Tenant's request for a Transfer pursuant to paragraph (a) of this Section 7.01, and that the Landlord may refuse to grant a consent where the proposed Transferee does not have a sound financial covenant or a sound business history, reputation or experience. The Landlord shall not be liable for any claims or actions by or for any damages, liabilities, losses or expenses of the Tenant arising out of the Landlord unreasonably withholding its consent to any Transfer and the Tenant's only recourse shall be to bring an application for a declaration that the Landlord shall grant its consent to such Transfer.
- (d) Notwithstanding anything contained herein to the contrary, but subject to Section 7.01(a)(i) and (ii) of this Lease, provided that the Tenant in use and occupation of the Leased Premises is 3250800 Nova Scotia Company or a Permitted Transferee and it is not in breach or default of any of its covenants or obligations under this Lease, the Tenant shall be entitled to assign this Lease or sublet the whole of the Leased Premises without the Landlord's consent but upon delivery of prior written notice to the Landlord, to:
- (i) the holding body corporate of the Tenant or subsidiary body corporation of the Tenant or an associated or affiliated company of the Tenant (as defined in the *Business Corporations Act of Ontario*); and
 - (ii) a corporation formed as a result of a merger, amalgamation, consolidation or any other form of re-organisation provided such amalgamated, merged, consolidated or re-organised corporation has the same unconsolidated tangible Net Worth as the Tenant had prior to such amalgamation, merger, consolidation or reorganization,
- hereafter referred to as the "Permitted Transferees".

INITIALS

 Landlord Agent

The term "Net Worth" is deemed to be the shareholders equity in the Tenant (being the amount of its total assets in excess of the amount of its total liabilities) less its goodwill and other intangible assets as set forth in its current audited or review engagement balance sheet.

In the event of an assignment or subletting pursuant to the subparagraphs above, the Tenant will not be relieved or released of any of its obligations under this Lease. In the case of any such permitted transfers, such subtenant or assignee and the Tenant shall execute the Landlord's form of assumption agreement to be bound by the terms of this Lease (save for payment of Rent in the case of a sublease).

Change of Control

7.02 Subject to Section 7.01 (d) above, if the Tenant is a private corporation and any part or all of the corporate shares of the Tenant or any corporation holding (whether directly or indirectly) the shares of the Tenant shall be transferred by sale, assignment, amalgamation, bequest, inheritance, operation of law or other disposition or dispositions so as to result in a change in the control of the corporation (unless the change of control results from a transaction between the existing shareholders), such change of control shall be considered a Transfer of this Lease and shall be subject to the provisions of Section 7.01 hereof. The Tenant shall make available to the Landlord upon its request for inspection and copying, all books and records of the Tenant, any assignee or subtenant and their respective shareholders which, alone or with other data, may show the applicability or inapplicability of this Section.

Sublet of Part of Premises

7.03 Notwithstanding anything else to the contrary provided in this Lease and/or any act or rule of law or regulation now or hereafter in force to the contrary, the Landlord may in its sole and unfettered discretion refuse to give its consent to any Transfer by the Tenant of less than the whole of the Leased Premises resulting in more than two (2) separate premises therein.

Excess Rent

7.04 In the event that the Basic Rent payable under any Transfer is in excess of the Basic Rent reserved hereunder or is in excess of the proportionate Basic Rent reserved in the event of a sublease of part of the Leased Premises, whether the excess be in the form of cash, goods or services from the Transferee or anyone acting on its behalf, the Tenant shall pay all of such excess to the Landlord immediately upon receipt thereof; in the event that such excess is represented by goods or services rendered to the Tenant or its nominee, the value of those goods or services shall be determined by the Landlord and Tenant and that value shall be paid in cash to the Landlord immediately upon such determination.

Mortgage of Leasehold

7.05 The Tenant shall not mortgage, pledge, hypothecate or otherwise encumber all or any portion of the Tenant's interest in this Lease or the Leasehold Improvements and shall not permit any lender to register any security interest against title to the Lands.

Advertising Premises

7.06 The Tenant shall not advertise or allow the Leased Premises or a portion thereof to be advertised as being available for assignment, sublease or otherwise without the prior written approval of the Landlord as to the form, size, content and location of such advertisement, which approval shall not be unreasonably withheld, provided that (i) no such advertising shall contain any reference to the Rent for the Leased Premises and (ii) any such advertising shall be on a standard ground-mounted real estate sign.

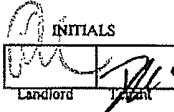
Disposition by Landlord

7.07 If the Landlord sells or leases the Lands, the Building or any part thereof, or assigns this Lease, and to the extent that the covenants and obligations of the Landlord under this Lease are assumed by the purchaser, lessee or assignee, the Landlord, without further written agreement, will be discharged and relieved of liability under the said covenants and obligations.

ARTICLE VIII - USE

Use of Leased Premises

8.01 The Tenant shall not use or permit the Leased Premises to be used for any retail sales whatsoever, nor shall the Tenant use or permit the Leased Premises to be used for any other purpose except warehousing and distribution of non-hazardous and environmentally friendly products as well as non-carbonated beverage production and warehousing thereof, and ancillary offices related to such uses. Such permitted use shall at all times be in compliance with: (i) the provisions of this Lease; and (ii) all Applicable Laws from time to time in force.

INITIALS

 Landlord

Rules and Regulations

8.02 The Tenant and its employees and all persons visiting or doing business on the Leased Premises shall be bound by and shall observe and perform all reasonable rules and regulations made by the Landlord from time to time and of which notice in writing shall be given to the Tenant, and all such rules and regulations shall be deemed to be incorporated into and form part of this Lease, provided same are not inconsistent with this Lease.

Observance of Law



8.03 The Tenant shall comply promptly with and conform to the requirements of all applicable statutes, by-laws, laws, regulations, ordinances and orders from time to time or at any time in force during the Term and affecting the condition, maintenance, repair, use or occupation of the Leased Premises (or equipment therein) and with every applicable regulation, order and requirement of the Insurance Advisory Organization or any body having similar functions or of any liability or fire insurance company by which the Landlord and the Tenant or either of them may be insured at any time during the Term, and, in the event of the default of the Tenant under the provisions of this Section, the Landlord may itself comply with any such requirements as aforesaid and the Tenant will forthwith pay all costs and expenses incurred by the Landlord together with such further or other costs or fees pursuant to Section 12.06 of this Lease and the Tenant agrees that all such costs and expenses shall be recoverable by the Landlord as if the same were Additional Rent reserved and in arrears under this Lease. As of the commencement of the Early Access Period, the Landlord shall, in the performance of Landlord obligations under this Lease, comply with all Applicable Laws without reference to the Tenant's improvements or alterations to the Leased Premises nor without reference to the Tenant's particular use or activities within the Leased Premises.

Waste and Nuisance

- 8.04 (a) The Tenant shall not do, suffer or permit any waste, damage, disfiguration or injury to the Leased Premises or the fixtures and equipment thereof and shall not use or permit to be used any part of the Leased Premises or the Complex for any dangerous, noxious or offensive trade or business and shall not do or permit anything to be done or brought upon or about the Leased Premises or the Complex which may reasonably be a nuisance, annoyance, grievance, interference or disturbance to the use or occupation of the Building or adjacent lands or premises by its owners or occupants, nor cause or permit any fire alarm to be falsely triggered (and in the case of any alarm response charge levied by the local fire department the cost thereof, plus the Landlord's fifteen percent (15%) management fee, shall be paid by the Tenant to the Landlord on demand), nor use the Leased Premises in any manner nor conduct any processes (whether contemplated by the permitted uses herein or not) which, in the opinion of the Landlord acting reasonably, are detrimental or may cause damage to the Building, or any part thereof (and in the case of any damage to the Building caused by such use or conduct, including without limitation, the Building's floors, steel and other structural components, the Tenant shall be required, at its expense, to make good such damage or replace the damaged Building components if required to the satisfaction of the Landlord); nor keep, sell, use, handle or dispose of any goods, materials or things which may cause persistent odours either inside or outside the Building or which may reasonably be considered a nuisance in, at or on the Leased Premises; nor cause any annoyance, nuisance or disturbance to the occupiers or owners of, or damage to any adjoining lands and/or premises; and the Tenant shall keep the Leased Premises and the Complex free of hazardous waste and contamination and shall take every reasonable precaution to protect the Leased Premises and the Complex from danger of fire, water damage or the elements.
- (b) The Tenant covenants and agrees to utilize the Leased Premises and operate its business in a manner so that no part of the Leased Premises or surrounding lands are used to generate, manufacture, refine, treat, transport, store, handle, dispose of, transfer, produce or process any Hazardous Substances (other than Exempted Substances). Furthermore, and without limiting the foregoing, the Tenant covenants and agrees with the Landlord not to install any underground storage tanks at the Leased Premises. Further the Tenant hereby covenants and agrees to indemnify and save harmless the Landlord and those for whom the Landlord is in law responsible from any and all losses, costs, claims, damages, liabilities, expenses or injuries caused or contributed to by any Hazardous Substances which are at any time during the Tenant's occupation of the Leased Premises located, handled, placed, stored or incorporated in any part of the Leased Premises. The Tenant hereby agrees that the Landlord or its authorized representatives shall have the right at the Tenant's expense, payable as Additional Rent within fifteen (15) days of receipt of an invoice therefore, to conduct such environmental site reviews and investigations as it may deem necessary for the purposes of ensuring compliance with this Section 8.04. The Tenant's obligations pursuant to this Section 8.04 shall survive the expiration or earlier termination of the Term.

Exterior Walls

8.05 The Tenant covenants that it will not erect on, or attach, affix or fasten to the roof or the steel frame inside the Building or to the outside walls of the Leased Premises or the Building any television or radio antenna, fixture or other attachment of any kind whatsoever without first receiving the Landlord's written consent thereto, which consent shall not be unreasonably withheld.

INITIALS	
	
Landlord	Tenant

Signs

8.06 The Tenant covenants and agrees not to paint, affix, display, or cause to be painted, affixed or displayed any picture, advertisement, notice, lettering, decoration or sign on any part of the Leased Premises visible from its exterior (including, without limitation, window signage) without in each instance the prior written approval of the Landlord, such approval to be given in a manner consistent with the Landlord's approval for other properties owned by the Landlord in the City of Mississauga, Ontario. All signs erected by the Tenant with the Landlord's approval, as aforesaid, shall nevertheless be of uniform size, lettering and location as the signs of all other tenants in the Building. Provided, however, that if the Landlord shall, in its sole discretion, desire to establish a uniform sign policy for the tenants of the Building, then the Tenant acknowledges and agrees that the Landlord, at its option, shall be entitled to erect all such signage material in or on the Building advertising the respective tenant's business operations therein (including the Tenant's business). The cost of all such signs and the installation and erection thereof shall be borne by the Tenant and shall be payable forthwith on demand. All signs shall be erected in strict conformance with all applicable municipal regulations, requirements and by-laws in existence from time to time. All signs shall be removed by the Tenant at its own expense at the termination of this Lease and the Tenant shall promptly repair at its own expense to the satisfaction of the Landlord any and all damage caused by such removal and this covenant shall survive the expiry or other termination of the Term. Subject to the foregoing, the Tenant shall be entitled to install its corporate sign on the exterior of the Leased Premises denoting its tenancy therein.

Energy Conservation

8.07 The Tenant shall co-operate with the Landlord in conserving energy of all types in the Building, including but not limited to complying at the Tenant's own cost with all reasonable requests and demands of the Landlord made with a view to energy conservation. Any reasonable expenditures made by the Landlord in an effort to promote energy conservation shall be added to Operating Costs in the Year such expenditures are incurred.

Overloading Systems

8.08 The Tenant shall not install or use any electrical or other equipment or electrical arrangement which may overload the electrical or other service facilities unless it does so with the express prior written consent of the Landlord and at its own expense makes whatever changes are necessary to comply with the reasonable and lawful requirements of the Landlord's insurance underwriters and governmental authorities having jurisdiction. The Tenant shall submit all applicable plans and specifications to the Landlord at the time of applying for such consent.

Parking

8.09 The Tenant shall have the right to park not more than forty (40) cars belonging to its employees, servants, agents, contractors and invitees in those areas on the Lands designated by the Landlord from time to time as parking areas for the Leased Premises. The Tenant shall only park trucks or trailers in such areas of the Lands designated by the Landlord for truck or trailer parking, as the case may be as more particularly shown highlighted in blue on Schedule "A" attached to this Lease and shall not at any time park nor permit its employees, servants, agents, contractors or invitees to park elsewhere on the Lands or adjacent public streets and roads.

Refuse and Garbage

8.10 The Tenant agrees that it will not allow any waste, refuse, garbage, ashes or other loose or objectionable material to accumulate in or about the Leased Premises and will provide covered metal receptacles for the same and will at all times keep the Leased Premises in a clean and tidy condition.

Overloading Floors

8.11 The Tenant covenants that it will not bring upon the Leased Premises or any part thereof any machinery, equipment, article or thing that, by reason of its weight, size, configuration, operation or otherwise, might damage the Leased Premises and will not at any time overload or damage the floors of the Leased Premises. The Tenant shall remove any such machinery, equipment (including but not limited to mobile equipment such as a forklift), article or thing within five (5) days written notice thereof and if any damage is caused to the Leased Premises by any machinery, equipment, article or thing or by overloading, the Tenant shall forthwith repair such damage at its own expense to the satisfaction of the Landlord.

Plumbing Fixtures

8.12 The plumbing fixtures shall not be used for any purpose other than that for which they were constructed and no foreign substances of any kind shall be deposited therein, and the expense of any breakage, stoppage, or damage shall be borne by the Tenant.

Outside Storage

8.13 The Tenant agrees that it will not store any goods or matter of any kind whatsoever outside the Leased Premises without the express written consent of the Landlord first had and obtained.

ARTICLE IX - INSURANCE AND INDEMNITY**Tenant's Insurance**

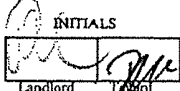
9.01 The Tenant shall, at its expense, obtain and maintain in force throughout the Term and any period when it is in possession of the Leased Premises, in the name of the Tenant with the Landlord and the Landlord's mortgagee (if any) as additional insureds, the following insurance:

- (a) Public Liability insurance, written on a comprehensive basis, with coverage against third-party claims for bodily injury, including death, and property damage (including but not limited to personal injury liability, blanket contractual liability, products liability, employers liability, owners & contractors protective liability, and tenant's legal liability for the full replacement cost of the Leased Premises) with such coverage to include the activities and operations conducted by the Tenant, or for which the Tenant is legally liable, and any other person performing work on behalf of the Tenant and those for whom the Tenant is in law responsible, in amounts required by the Landlord and any mortgagee of the Building or any part thereof from time to time but in no event less than Five Million Dollars (\$5,000,000.00) per occurrence; and
- (b) All risks insurance covering all property owned by the Tenant, or installed by or on behalf of the Tenant, located within the Leased Premises and all other property for which the Tenant is responsible pursuant to this Lease and/or which has been installed by or on behalf of the Tenant (including without limitation chattels, equipment, machinery, furniture, inventory, fixtures, property of others in the Tenant's care, custody or control, and all Leasehold Improvements) in an amount equal to the full (100%) replacement value thereof; and
- (c) Comprehensive boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount of at least the replacement cost of all leasehold improvements and of all boilers, pressure vessels, air conditioning equipment and miscellaneous electrical apparatus or mechanical equipment owned or operated by the Tenant or by others (except for the Landlord) on behalf of the Tenant in the Leased Premises, or relating to or serving the Leased Premises; and
- (d) Business interruption insurance in an amount that will reimburse the Tenant for direct or indirect loss of gross earnings attributable to all perils insured against under Section 9.01 (b) and (c) herein, and other perils commonly insured against by prudent tenants, or attributable to prevention of access to the Leased Premises as a result of those perils; and
- (e) Environmental Impairment Liability insurance ("EIL" insurance) for claims arising from the use of or operations at the Leased Premises, including coverage for sudden and accidental and gradual pollution conditions, and including incidents arising out of the storage, disposal, release or escape of any Hazardous Substances into or upon the Leased Premises, land, sediments, soils, groundwater, atmosphere, or any watercourse or body of water, and for all third-party claims for bodily injury or property damage as well as the cost of clean-up and/or remediation of any contamination or environmental hazard in, upon or around the Leased Premises, Lands and adjoining lands, which insurance shall be issued for a limit of no less than Five Million Dollars (\$5,000,000.00) per claim; and
- (f) Standard owners form automobile insurance providing third-party liability insurance with Two Million Dollars (\$2,000,000.00) inclusive limits, and accident benefits insurance, covering all licensed vehicles owned or operated by or on behalf of the Tenant; and
- (g) Such other forms of insurance as may be reasonably required by the Landlord and its mortgagee from time to time.

All policies shall: (i) contain a cross liability and/or severability of interest clause; (ii) be primary and non-contributing to any other insurance available to the Landlord and/or its mortgagee(s); (iii) not be invalidated with respect to the interests of the Landlord and its mortgagee(s) by reason of any breach or violation of warranties, representations, declarations or conditions contained in the policies; and (iv) contain an undertaking by the insurers to notify the Landlord and its mortgagee(s) in writing not less than sixty (60) days prior to any material change, cancellation or termination thereof and shall be subject only to such deductibles and exclusions as the Landlord may approve, acting reasonably. All policies written pursuant to paragraph (b), (c) or (d) of this Section shall contain a waiver of any subrogation rights which the Tenant's insurers may have against the Landlord and its mortgagees. Any policy written pursuant to paragraph (e) of this Section shall include a contractual liability clause and coverage for liability arising from the escape of Hazardous Substances (whether sudden or accidental or gradual) from any storage tanks, whether above ground or below ground, if any such storage tanks are present at the Leased Premises. The Tenant shall promptly furnish, upon request from the Landlord, verification of compliance with the provisions of this Section.

Landlord's Insurance

9.02 Throughout the Term of this Lease the Landlord shall provide and keep in force property insurance in respect of the Building (including the Leased Premises but not including the property which the Tenant is required to insure for pursuant to paragraph (b) of Section 9.01 hereof) against fire and such other perils as are normally insured against in the circumstances by prudent landlords of similar buildings and loss of rental income insurance, subject to reasonable deductions and exceptions as the Landlord may determine and to amounts which the Landlord shall from time to time determine as being reasonable or sufficient. Notwithstanding any contribution by the Tenant to the cost of any insurance effected by the Landlord, no insurable interest is conferred upon the Tenant under any such policies of insurance and the Tenant has no right to receive any proceeds under any such insurance.

INITIALS

 Landlord

Not to Affect Landlord's Insurance

9.03 Neither the Tenant nor its officers, directors, agents, servants, licensees or concessionaires, assignees or subtenants shall bring onto the Leased Premises or do or omit or permit to be done or omitted to be done upon or about the Leased Premises anything which shall cause the rate of insurance upon the Leased Premises or the Building or any part thereof or its contents to be increased, and if the said rate of insurance shall be increased by reason of the use made of the Leased Premises even though such use may be a permitted use hereunder or by reason of anything done or omitted or permitted to be done or omitted to be done by the Tenant or its officers, directors, agents, servants, licensees, concessionaires, assignees or subtenants or by anyone permitted by the Tenant to be upon the Leased Premises, the Tenant shall pay to the Landlord forthwith upon demand the amount of such increase.

Limit of Landlord's Liability

- 9.04 (a) The Landlord shall not be responsible in any way for any injury to any person (including but not limited to death) or for any loss of or damage to any property within the Leased Premises or belonging to the Tenant or to other occupants of the Leased Premises or to their respective employees, agents, invitees, customers, licensees or other persons from time to time attending at the Leased Premises while such person or property is in or about the Lands, the Leased Premises, the Building, or any areaways, parking areas, lawns, sidewalks, steps, truckways, platforms, corridors, stairways, elevators or escalators in connection therewith, including without limiting the foregoing, any loss of or damage to any property caused by theft or breakage, or by steam, water, rain or snow or for any loss or damage caused by or attributable to the condition or arrangements of any electrical or other wiring or for any damage caused by smoke or anything done or omitted to be done by any other tenant of premises in the Building or Buildings or for any other loss whatsoever with respect to the Leased Premises, goods placed therein or any business carried on therein.
- (b) In the event that the Leased Premises or the Complex or any part or parts thereof are closed, inaccessible or unusable by reason of damage, necessary repair or by virtue of any other cause or condition whatsoever, whether within or beyond the Landlord's control, the Landlord shall not be liable or responsible in any way for any loss of business or any other damage to or loss, direct, indirect, consequential or otherwise sustained or suffered by the Tenant nor shall the Tenant be entitled to any abatement of Rent, except, in the case of damage to the Leased Premises and as expressly provided in Article XI hereof.

Limit of Tenant's Liability

9.05 The Tenant shall not be liable to the Landlord for and is hereby released in respect of that portion of any loss or damage to the Building and the Complex caused by the negligent act or omission of the Tenant or its officers, directors or employees which is in excess of \$75,000.00 per occurrence (the "Threshold Amount"), where such loss or damage is required to be insured by the Landlord pursuant to Section 9.02 and proceeds of insurance are actually recovered under its insurance (provided that the Tenant advises the Landlord of the occurrence of such loss or damage as soon as practicable), it being understood and agreed that the Landlord shall not be required to look to its insurance under Section 9.02 hereof for that portion of any insured loss or damage to the Building or Complex caused by or arising from the Tenant or its operations which is below the Threshold Amount. The Landlord and Tenant agree that the initial Threshold Amount of \$75,000.00 shall be increased at the end of every 5th year of this Lease by the cumulative increase during the relevant years in the non-residential building construction price index [Toronto] published by Statistics Canada, or any comparable index should Statistics Canada no longer publish the same.

Indemnity

9.06 The Tenant shall promptly indemnify and save the Landlord harmless from any and all liabilities, damages, costs, expenses, claims, suits or actions arising out of any breach, violation or non-observance by the Tenant of any of its obligations under the Lease; from any damage to the Leased Premises, the Complex or to any property while such property shall be in or about the Leased Premises including but not limited to the systems, furnishings and amenities thereof, caused by or arising out of the willful or negligent act or omission of the Tenant, its employees, agents, invitees or licensees in respect of which the Tenant is not released pursuant to Section 9.05 hereof; and from any injury to any employee, agent, invitee or licensee, of the Tenant, including but not limited to death resulting at any time therefrom, occurring on or about the Complex or any part thereof. Notwithstanding anything else herein contained, this indemnity shall survive the expiry or earlier termination of the Term.

ARTICLE X - CONTROL OF COMPLEX**Control of Complex**

- 10.01 (a) The Complex shall, at all times, be subject to the exclusive control of the Landlord and, without limiting the generality of the foregoing, the Landlord shall have the right from time to time throughout the Term:
- (i) to construct in, to or on the Complex, to make alterations, additions and subtractions thereto and therefrom to erect new buildings on the Complex and to build additional storeys on the existing buildings;

- (ii) to monitor access to any of the parking areas by means of barriers, control booths or any other method which the Landlord deems proper;
 - (iii) to change the location of driveways and sidewalks and the location, layout or size of the parking area; and
 - (iv) to do or perform such other acts in and to the Complex as the Landlord, acting as a prudent owner, deems advisable for the more efficient and proper operation of the Complex.
- (b) Subject to the repair and maintenance obligations of the Tenant herein, the Landlord shall operate, maintain and repair the Complex all to the same standard as the Landlord's other buildings in the vicinity of the Leased Premises (the cost of which shall, except as otherwise expressly provided herein, be included in Operating Costs). Without limiting the scope of such discretion, the Landlord shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Complex.
- (c) The Landlord shall not be liable for any diminution or alteration of the common area of the Complex resulting from the exercise of the Landlord's rights under this Section and the Tenant shall not be entitled to a reduction or abatement of Rent or to compensation therefor.
- (d) The Landlord shall endeavor not to interfere materially with the Tenant's use of the Leased Premises in exercising the Landlord's rights under this Section 10.01. Nothing herein shall be deemed to permit the Landlord to do anything that would materially, adversely interfere with the Tenant's access to or use and enjoyment of the Leased Premises unless otherwise required by Applicable Law.

ARTICLE XI - DAMAGE AND DESTRUCTION

Abatement of Rent

11.01 If the Leased Premises or any portion thereof is damaged or destroyed by fire or by other casualty against which the Landlord is required to insure under this Lease, Rent shall abate in proportion to the area of that portion of the Leased Premises which, in the reasonable opinion of the Landlord, is thereby rendered unfit for the purposes of the Tenant bears to the area of the entire Leased Premises (but only to the extent to which the Landlord actually receives proceeds under its loss of rental income insurance or which would have been received if the Landlord had complied with its obligations under Section 9.02) until the Leased Premises are repaired and rebuilt as certified by the Landlord's Architect and the Landlord agrees that it will, with reasonable diligence, repair and rebuild the Leased Premises, subject to Section 11.02. The Landlord's obligation to rebuild and restore the Leased Premises shall not include the obligation to rebuild, restore, replace or repair any chattel, fixture or Leasehold Improvements or any other thing that is the property of the Tenant and/or for which the Tenant is to maintain insurance under paragraph (b) and (c) of Section 9.01 (in this Section collectively called "Tenant's Improvements"); the Leased Premises shall be deemed repaired and rebuilt when the Landlord's Architect certifies that it has been substantially repaired and rebuilt to the state where the Tenant could occupy it for the purpose of rebuilding, restoring, replacing or repairing the Tenant's Improvements. The issuance of the certificate of the Landlord's Architect shall not relieve the Landlord of its obligation to complete the repairing and rebuilding as aforesaid, but the Tenant shall forthwith after issuance of such certificate proceed to rebuild, restore, replace and repair the Tenant's Improvements, and the provisions of Section 6.03 shall apply to such work, *mutatis mutandis*.

Termination

- 11.02 (a) Notwithstanding the provisions of Section 11.01 hereof, if the Leased Premises or any portion thereof are (i) damaged or destroyed by any cause whatsoever and cannot in the reasonable opinion of the Landlord be rebuilt or made fit for the purposes of the Tenant as aforesaid within two hundred and seventy (270) days of the date of such damage or destruction, or (ii) the Leased Premises are damaged or destroyed by an uninsured peril, the Landlord in the case of (i) or (ii) and the Tenant in the case of (i) only may, at its option, terminate this Lease by giving to the other party, within sixty (60) days after the date of such damage or destruction, notice of termination and thereupon Rent shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up possession of the Leased Premises to the Landlord.
- (b) Irrespective of whether the Leased Premises or any portion thereof are damaged or destroyed as aforesaid, in the event that fifty per cent (50%) or more of the Building, as determined by the Landlord, is damaged or destroyed by any cause whatsoever and if, in the reasonable opinion of the Landlord, such area cannot be rebuilt or made fit for the purposes of the tenants thereof within one hundred and eighty (180) days of the date of such damage or destruction or the Building is damaged or destroyed by an uninsured peril, the Landlord may at its option terminate this Lease by giving to the Tenant within sixty (60) days after the date of such damage and destruction, notice of termination requiring vacant possession of the Leased Premises sixty (60) days after delivery of the notice of termination and thereupon Rent shall be apportioned and paid to the date on which vacant possession is given and the Tenant shall deliver up possession of the Leased Premises to the Landlord in accordance with such notice of termination.

- (c) If neither the Landlord nor the Tenant elects to terminate this Lease pursuant to paragraphs (a) or (b) of this Section, the Landlord shall, with reasonable diligence, repair and restore the Leased Premises and/or the Building, in accordance with the provisions of Section 11.01.

ARTICLE XII - DEFAULT

Events of Default

12.01 An "Event of Default" shall occur whenever:

- (a) the Tenant fails to pay the Rent hereby reserved or any part thereof within five (5) days from the giving of written notice by the Landlord to the Tenant in respect thereof (provided that if the Landlord is required to give the notice hereunder on two (2) occasions in any twenty-four (24) consecutive months, the Landlord shall thereafter have no further obligation to give notice hereunder and an Event of Default shall be deemed to occur on the date the Tenant fails to pay Rent on the due date as provided for in the Lease);
- (b) the Tenant shall have breached or failed to comply with any of its covenants and agreements contained in this Lease (save for non-payment of Rent) and shall have failed to remedy such breach or non-compliance within fifteen (15) days (or such longer period as the Landlord may reasonably determine, having regard to the nature of the default) after written notice thereof given by the Landlord to the Tenant;
- (c) the Tenant shall make any assignment for the benefit of creditors or become bankrupt or insolvent or take the benefit of any Act now or hereinafter in force for bankrupt or insolvent debtors;
- (d) the Tenant is a corporation and any order shall be made for the winding-up of the Tenant or other termination of the corporate existence of the Tenant;
- (e) the Tenant makes or attempts to make a bulk sale of assets not in the ordinary course of the Tenant's business;
- (f) a trustee, receiver, interim receiver, receiver and manager, custodian or liquidator is appointed for the business, property, affairs or revenue of the Tenant;
- (g) this Lease or any of the Tenant's assets on the Leased Premises are taken or seized under writ of execution, an assignment, pledge, charge, debenture or other security instrument;
- (h) the Tenant makes or applies to the relevant authority for a permit or approval for, any installation, alteration, addition, modification or improvement to the Leased Premises without the prior written approval or authorization of the Landlord as required under Section 6.03 hereof;
- (i) the Leased Premises shall be used by any person other than the Tenant or the Tenant's permitted assignees or for any purpose other than as set out in Section 8.01;
- (j) any insurance policy on the Building or any part thereof shall be cancelled or shall be threatened by the insurer to be cancelled or the coverage thereunder reduced in any way by the insurer by reason of the use or occupation of the Leased Premises or any part thereof by the Tenant and the Tenant shall have failed to remedy the condition giving rise to such cancellation, threatened cancellation or reduction of coverage within forty-eight (48) hours written notice given by the Landlord to the Tenant;
- (k) the Tenant shall at any time during the Term use the Leased Premises, whether within the use permitted by Section 8.01 or not, in a manner which imposes upon the Landlord any obligation to modify, extend, alter or replace any part of the Leased Premises or any of the machinery, equipment or other facilities used in connection with the Leased Premises, which obligation is not fulfilled by the Tenant at its own cost in a timely manner;
- (l) the Leased Premises are vacant or abandoned for any period in excess of fifteen (15) days other than during repairs or renovations unless the Tenant has given at least seven (7) days prior written notice to the Landlord of such vacating and the Tenant ensures that heating of and security for the Leased Premises shall continue on a satisfactory basis while the Leased Premises are vacant for the then remaining balance of the Term; or
- (o) the Tenant defaults in the performance or observation of any terms, conditions, covenants or provisions of any other lease agreement in respect of premises leased by the Tenant from the Landlord, which default is not remedied or cured within any applicable grace period.

Accelerated Rent

12.02 Upon the occurrence of an Event of Default then:

- (a) notwithstanding anything to the contrary in this Lease, such portion of the Landlord's Leasing Costs as are unamortized as at the day prior to such Event of Default (assuming a straight-line amortization over the Term of this Lease) shall be deemed to be outstanding to the Landlord and shall become immediately due and payable as Rent, and the Landlord may, at its option, apply all or any monies or other security as may have been deposited or lodged with the Landlord as security for the performance of the Tenant's obligations under this Lease (collectively, "Security"), against such amounts owing, all without prejudice to any further claims by the Landlord for damages and/or remedy for recovery thereof and/or the right of the Landlord to apply any Security against other amounts owing hereunder or against other expenses, costs or damages incurred by the Landlord; and
- (b) in addition to and without limiting the foregoing and notwithstanding the *Bankruptcy and Insolvency Act* (Canada) or otherwise the then current month's Rent and next ensuing three (3) months Rent, after appropriate adjustments to take into account the fact that portions of the Leasing Costs amortized into Basic Rent may have been accelerated under paragraph (a) of this Section, shall immediately become due and be paid by the Tenant to the Landlord as accelerated Rent and the Landlord may immediately distrain for the same together with any Rent arrears then unpaid.

Right of Re-entry

12.03

- (a) Upon the occurrence of an Event of Default, the Landlord may at any time thereafter, without notice to the Tenant, re-enter the Leased Premises or any part thereof in the name of the whole and terminate this Lease and all the rights of the Tenant thereunder.
- (b) If and whenever the Landlord exercises its option to re-enter the Leased Premises and terminate this Lease pursuant to paragraph (a) of this Section:
 - (i) the Tenant shall immediately vacate the Leased Premises and the Landlord may remove or cause to be removed from the Leased Premises the Tenant and/or any other occupant or occupants thereof and if the Tenant has not removed all property therefrom or completely vacated the Leased Premises within three (3) days of the Landlord terminating this Lease and entering the Leased Premises, then such property shall be deemed to be abandoned and the Landlord may, at its discretion, remove all property therefrom and sell or dispose of such property as the Landlord considers appropriate without liability for loss or damage and without prejudice to the rights of the Landlord to recover arrears of Rent or damages incurred by the Landlord;
 - (ii) the Landlord shall be immediately entitled to the payment of Rent up to the date of termination together with all expenses incurred by the Landlord in respect of such termination and the value of the Rent, calculated at the date of termination, for the unexpired portion of the Term.

Reletting

12.04 At any time when the Landlord is entitled to re-enter the Leased Premises or terminate this Lease, the Landlord may without notice to the Tenant and without terminating the Lease enter upon and take custody of the Leased Premises in the name of and as agent of the Tenant, together with all the Tenant's improvements, fixtures and furnishings, and sublet the Leased Premises in the name of and as the agent of the Tenant on whatever terms the Landlord may deem appropriate but no such action by the Landlord shall waive any of the obligations of the Tenant or limit the subsequent exercise of any of the Landlord's remedies for default. If the Landlord shall sublet the Leased Premises as aforesaid, the Landlord shall be entitled to receive all sublease rent and apply the same in its discretion to any indebtedness of the Tenant to the Landlord under this Lease and/or to the payment of any costs and expenses of reletting, and the Landlord shall be liable to account to the Tenant only for the excess, if any, of monies actually received by it. If the sublease rent is less than is necessary to pay and discharge all the then existing and continuing obligations of the Tenant hereunder, the Tenant shall pay such deficiency to the Landlord upon demand from time to time. Notwithstanding any such re-entry and subletting without termination, the Landlord may at any time thereafter terminate this Lease by reason of the previous or any other default under the Lease and the provisions of Section 12.03 shall apply.

Distress

12.05 The Tenant waives and renounces the benefit of any present or future statute taking away or limiting the Landlord's right of distress, and covenants and agrees that notwithstanding any such statute, none of the goods and/or chattels of the Tenant on the Leased Premises at any time during the Term shall be exempt from levy by distress for rent in arrears.

Right of Landlord to Cure Defaults

12.06 If the Tenant fails to perform or cause to be performed any of the covenants or obligations of the Tenant herein, the Landlord shall have the right (but shall not be so-obligated) to perform or cause to be performed and to do or cause to be done such things as may be necessary or incidental thereto (including without limiting the foregoing, the right to make repairs, installations, erections and expend monies), and all payments, expenses, charges, fees and disbursements incurred or paid by or on behalf of the Landlord (including without limitation the Landlord's fifteen percent (15%) supervisory fee) in respect thereof shall be paid by the Tenant to the Landlord within ten (10) days written demand therefor together with all reasonable legal and administrative costs of the Landlord in respect thereof and all such amounts shall be payable as Additional Rent.

Cross Default

12.07 (INTENTIONALLY DELETED)

Remedies Not Exclusive

12.08 Mention in this Lease of any particular remedy or remedies in respect of any default or threatened default by the Tenant in the performance of its obligations shall not preclude the Landlord from exercising, or limit the extent of, any other remedy in respect thereof, whether at law, in equity or pursuant to any express provision hereof. No remedy shall be interpreted as exclusive or dependent upon any other remedy, and the Landlord may from time to time exercise any one or more of such remedies independently or in combination.

Non-Waiver

12.09 No condoning, excusing or overlooking by the Landlord of any default, breach or non-observance by the Tenant at any time or times in respect of any covenant, proviso or condition herein contained shall operate as a waiver of the Landlord's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, or so as to defeat or affect in any way the rights of the Landlord herein in respect of any such continuing or subsequent default or breach, and no waiver shall be inferred from or implied by anything done or omitted by the Landlord, save only an express waiver by the Landlord in writing.

Recovery of Adjustments

12.10 The Landlord shall have (in addition to any other right or remedy of the Landlord) the same rights and remedies in the event of default by the Tenant in payment of any amount payable by the Tenant hereunder as the Landlord would have in the case of default in payment of Rent.

ARTICLE XIII - SUBORDINATION AND ACKNOWLEDGEMENTS**Mortgages**

13.01 At the option of the Landlord or the applicable mortgagee, chargee or trustee (as the case may be), this Lease shall be subject and subordinate to any and all mortgages, charges and deeds of trust (and instruments supplemental thereto), which may now or at any time hereafter affect the Leased Premises in whole or in part, or the Lands, or the Building whether or not any such mortgage, charge or deed of trust affects only the Leased Premises or the Lands or the Building or affects other premises as well. The Tenant acknowledges and agrees that any such mortgagee, chargee or trustee may unilaterally postpone and subordinate its mortgage, charge or deed of trust to this Lease and any renewals, modifications, consolidations, replacements or extensions thereof to the intent that this Lease and all right, title and interest of the Tenant in the Leased Premises shall be prior to the rights of such mortgagee, chargee or trustee as fully as if such Lease had been executed and registered before the registration of the mortgage, charge or deed of trust, as applicable. On request at any time and from time to time of the Landlord or of the mortgagee, chargee or trustee under any such mortgage, charge or deed of trust, the Tenant shall promptly, at no cost to the Landlord or mortgagee, chargee or trustee, but provided that the holder of any such mortgage, charge or deed of trust agrees in writing with the Tenant not to disturb the Tenant's use and occupation of the Leased Premises so long as the Tenant is not in default under this Lease:

- (a) attorn to such mortgagee, chargee or trustee and become its tenant of the Leased Premises or the tenant of the Leased Premises of any purchaser from such mortgagee, chargee or trustee in the event of an exercise of any permitted power of sale contained in any such mortgage, charge or deed of trust for the then unexpired residue of the Term on the terms herein contained; and/or
- (b) postpone and subordinate this Lease to such mortgage, charge or deed of trust to the intent that this Lease and all right, title and interest of the Tenant in the Leased Premises shall be subject to the rights of such mortgagee, chargee or trustee as fully as if such mortgage, charge or deed of trust had been executed and registered and the money thereby secured had been advanced before the execution of this Lease (and notwithstanding any authority or consent of such mortgagee, or trustee, express or implied, to the making of this Lease).

Any such attornment or postponement and subordination shall extend to all renewals, modifications, consolidations, replacements and extension of any such mortgage, charge or deed of trust and every instrument supplemental or ancillary thereto or in implementation thereof. The Tenant shall forthwith execute any instruments of attornment or postponement and subordination which may be so requested to give effect to this Section. The Tenant shall, if required, also confirm to the Landlord's mortgagee: (i) that no prepayments of rent (except as provided in this Lease) and no material amendments, early termination, surrender or assignment of this Lease shall be binding on such mortgagee unless the mortgagee consents thereto; (ii) that the mortgagee shall not be liable for any default of the Landlord under this Lease arising prior to the mortgagee becoming a mortgagee in possession of the Leased Premises or succeeding to the Landlord's interest in this Lease; (iii) that the mortgagee shall be responsible for landlord obligations only so long as the mortgagee realizes on its security by entering into ownership, possession or control of the Leased Premises; and (iv) that the Tenant will deliver such mortgagee, simultaneously with delivery to the Landlord, a copy of any notice to the Landlord alleging default by the Landlord of its obligations under this Lease.

Certificates

13.02 The Tenant shall, within not more than ten (10) days written request therefor, execute and return to the Landlord, its mortgagee or any purchaser of the Leased Premises as required by the Landlord from time to time and without cost to the Landlord or such mortgagee or purchaser, a statement in writing certifying that this Lease is unmodified and in full force and effect (or if modified, stating the modifications and that the Lease is in full force and effect as modified), the amount of the annual Basic Rent then being paid hereunder, the dates to which the same, by installment or otherwise, and other charges hereunder have been paid, whether or not there is any existing default on the part of the Landlord of which the Tenant has notice, and any other information reasonably required.

Non-Disturbance Agreement

13.03 At the written request and expense of the Tenant, the Landlord shall use its commercially reasonable efforts to obtain a non-disturbance agreement in favour of the Tenant from the holder, if any, of any existing mortgage, charge or deed of trust affecting the Leased Premises and having priority over this Lease. Such non-disturbance agreement shall be upon the holder's form of agreement to the effect that the Tenant shall have undisturbed possession of the Leased Premises as long as the Tenant is not in default under this Lease, such form of agreement to be finalized by and between the Tenant and such holder without cost or obligation to the Landlord.

ARTICLE XIV - ACCESS BY LANDLORD

Exhibiting Leased Premises

14.01 The Tenant shall permit the Landlord or its agents to post "For Rent/Lease" signage at and to exhibit the Leased Premises to prospective tenants during the last nine (9) months of the Term thereof during normal business hours upon at least 24 hours advance notice. Notwithstanding the foregoing, in the event the Tenant does not exercise any option that is available to it to renew or extend the Term, the Landlord may (during business hours after at least twenty-four (24) hours notice) exhibit the Leased Premises at any time after the earlier of the date the Tenant notifies the Landlord that it will not be exercising such option or, in the absence of such notice, the last day on which the Tenant may exercise such option.

Expansion, Alteration

14.02 The Landlord shall have the right, upon forty-eight (48) hours prior written notice to the Tenant except in the case of an emergency when no notice shall be required, to enter into the Leased Premises and to bring its workmen and materials thereon to inspect the Leased Premises and to make additions, alterations, improvements, installations and repairs to the Leased Premises and the Lands, the Buildings, and the common areas and services thereof as such may exist from time to time. The Landlord may cause such reasonable obstructions and interference with the use and enjoyment of the Lands, the Buildings and the Leased Premises as may be necessary for the purposes aforesaid and may interrupt or suspend the supply of electricity, water or other utilities or services when necessary and until the additions, alterations, improvements, installations or repairs have been completed, and there shall be no abatement in Rent (except as provided in Section 11.01 hereof) nor shall the Landlord be liable by reason thereof, provided all such work is done as expeditiously as reasonably possible. The Landlord shall have the right to use, install, maintain and repair pipes, wires, ducts, shafts or other installations in, under or through the Leased Premises for or in connection with the supply of any services to the Leased Premises or any other premises in the Buildings.

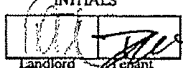
ARTICLE XV - MISCELLANEOUS

Notice

15.01 (a) Any notice, request, statement or other writing pursuant to this Lease shall be deemed to have been given if mailed by registered prepaid post or by facsimile transmission as follows:

In the case of the Landlord, to:

CHIEFTON INVESTMENTS LIMITED
6205 Airport Road
5th Floor

INITIALS

 Landlord Tenant

Evidence of Payments

15.07 The Tenant shall produce to the Landlord upon request, satisfactory evidence of due payment by the Tenant of all payments to third parties required to be made by the Tenant under this Lease.

Overholding

15.08 If the Tenant shall continue to occupy all or part of the Leased Premises after the expiration of the Term with the consent of the Landlord, and without any further written agreement, the Tenant shall: (a) be a monthly tenant at one hundred and twenty-five percent (125%) of the monthly Basic Rent payable during the last year of this Lease and otherwise on the terms and conditions herein set out except as to length of tenancy; and (b) be responsible, at its own cost and expense, for the completion of all of the end of term removal and restoration obligations of the prior tenant in respect of the modifications and leasehold improvements relating to their beverage operations, including without limitation the Assumed Restoration Obligations.

Lien

15.09 As security for the due payment by the Tenant of the Rent reserved hereunder and the performance by the Tenant of all covenants, agreements, provisos and conditions of the Tenant to be performed hereunder, the Tenant hereby grants to the Landlord a first lien and charge on all goods, chattels, trade fixtures, furniture, equipment and inventory of the Tenant situate on, in or about the Leased Premises or elsewhere. Such lien and charge shall constitute a security agreement within the meaning of the *Personal Property Security Act* (Ontario) and on default of the Tenant hereunder the Landlord shall have, in addition to any other rights and remedies it may be entitled to under this Lease or otherwise, all the rights and remedies of a secured party under such Act.

Sales Taxes

15.10 Any amount which is, by the terms of this Lease payable by the Tenant to the Landlord and which is subject to Sales Taxes shall be deemed to be exclusive of such Sales Taxes or taxes with the intent that such Sales Taxes shall be calculated thereon and paid by the Tenant to the Landlord at the time such amount is payable pursuant to the terms of this Lease.

Time of Essence

15.11 Time shall be of the essence of this Lease and every part thereof.

Law

15.12 This Lease shall be governed by and construed in accordance with the laws of the Province of Ontario.

Captions/Headings

15.13 The captions appearing in the margin of this Lease and in the headings to the Articles of this Lease have been inserted as a matter of convenience of reference only and do not in any way whatsoever define, limit or enlarge the scope or meaning of this Lease or any part thereof.

Joint and Several Liability

15.14 If the Tenant shall be comprised of more than one (1) party, the liability of each such party under this Lease shall be joint and several.

Tenant Partnership

15.15 If the Tenant shall be a partnership, each person who shall be a member of such partnership or successor thereof shall be and continue to be jointly and severally liable for the performance and observance of all covenants, obligations and agreements of the Tenant under this Lease even if such person ceases to be a member of such partnership or successor thereof.

Environmental Assessments

- 15.16 (a) Upon receipt by the Tenant of prior written notice from the Landlord (except where contamination is present at the Leased Premises when no notice shall be required), the Landlord or its agent shall have the right to enter upon the Complex (including but not limited to the Leased Premises) and conduct environmental assessment audits from time to time during the Term.
- (b) The Tenant covenants and agrees to execute forthwith upon demand therefor, at its own cost and expense, the complete remediation/clean-up of any and all contamination of the Complex arising out of the Tenant's use or occupation of the Leased Premises. The aforesaid covenant contained in this paragraph (b) shall survive the expiry or other termination of the Term.

Easements

15.17 The Tenant acknowledges that the Lands are subject to such rights-of-way and other easements as are designated, if any, in Schedule "B" hereto. The Tenant agrees to postpone this Lease, upon demand by the Landlord to:

- (a) such further easements in favour of adjoining lands for purposes of ingress and egress, as may be requested by the Landlord from time to time; and
- (b) easements regarding utilities, services or sewers, as may be required from time to time.

Entire Agreement

15.18 The Tenant acknowledges that there have been no representations made by the Landlord which are not set out in the Lease. The Tenant further acknowledges that the Lease constitutes the entire agreement between the Landlord and Tenant and may not be modified except as herein explicitly provided or by subsequent agreement in writing duly signed by the Landlord and the Tenant.

Effect of Lease

15.19 This Indenture and everything herein contained shall extend to and bind and may be taken advantage of by the respective heirs, executors, administrators, successors and assigns, as the case may be, of each of the parties hereto, subject to the granting of consent by the Landlord as provided herein to any assignment or sublease, and where there is more than one tenant or there is a female party or a corporation, the provisions hereof shall be read with all grammatical changes thereby rendered necessary and all covenants shall be deemed joint and several.

ARTICLE XVI – ADDITIONAL PROVISIONS

Letter of Credit


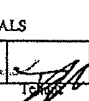
16.01 Subject to Section 2.05 of this Lease, in order to induce the Landlord to enter into this Lease and to secure all obligations and covenants of the Tenant hereunder (including, without limitation, the Landlord's right to accelerated Rent) as well as the Landlord's Leasing Costs and the Landlord's investment in Leasehold Improvements and the Landlord's Work, if any, and (without limiting any claims or other remedies which the Landlord may have against the Tenant) to compensate the Landlord, in part, for damages that may be suffered by the Landlord as a result of an Event of Default and/or early termination of this Lease, the Tenant covenants and agrees to deliver to the Landlord together with the execution and delivery of this Lease, an irrevocable clear standby letter of credit ("Letter of Credit") from a Canadian chartered bank acceptable to the Landlord, acting reasonably, in the form annexed hereto as Schedule "G" and drawn in favour of the Landlord in the amount of \$137,130.57 for an initial term of one (1) year commencing on such date the Tenant executes and delivers to the Landlord this Lease in a form acceptable to the Landlord and thereafter to be automatically renewed each year until the end of the Term, as it may be extended.

The Landlord shall be entitled to draw on the Letter of Credit in full if:

- (i) the Letter of Credit has not been renewed or replaced not less than thirty (30) days before the expiry date of the initial term of the Letter of Credit or, thereafter, not less than thirty (30) days before the expiry of each renewal term of the Letter of Credit;
- (ii) the Lease has been terminated by the Landlord in accordance with its terms;
- (iii) the Lease is disclaimed or surrendered by a trustee, or repudiated by a receiver or liquidator in the event of a bankruptcy, receivership, liquidation, dissolution or winding-up of or in respect of the Tenant;
- (iv) the Lease is otherwise terminated by operation of law;
- (v) the Tenant makes any assignment for the benefit of creditors or becomes bankrupt or insolvent or takes the benefit of any Act now or hereinafter in force for bankrupt or insolvent debtors including the appointment of a trustee, receiver, interim receiver, receiver and manager, custodian or liquidator for the business, property, affairs or revenue of the Tenant;
- (vi) the Lease or any of the Tenant's assets are taken or seized under writ of execution, an assignment, pledge, charge, debenture or other security instrument; or
- (vii) the Bank fails to confirm in writing that (i) this Letter of Credit has been renewed, or (ii) this Letter of Credit has not expired and is in good standing during the applicable period as set out in the letter of Credit attached to this Lease as Schedule "G".

All proceeds drawn down due to an event in clauses (ii) to (vi) shall be the sole property of the Landlord with no obligation to account therefor to the Tenant.

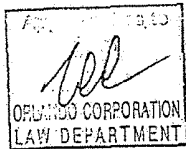
INITIALS

	
Landlord	Tenant

If the Letter of Credit is drawn down by the Landlord pursuant to clause (i) or (vii) above, the drawn down cash shall be held by the Landlord pending (a) delivery to it of a replacement letter of credit or (b) an event occurs that is described in clauses (ii) to (vi) inclusive. The Landlord shall pay to the issuing bank the drawn down cash if, at any time, the Tenant provides the Landlord with a replacement letter of credit on the terms outlined above. Upon the occurrence of an event described in clauses (ii) to (vi) inclusive, the drawn down cash shall become the property of the Landlord without obligation to account therefor to the Tenant.

IN WITNESS WHEREOF the parties hereto have duly executed this Lease.

LANDLORD:



CHIEFTON INVESTMENTS LIMITED

Per: [Signature]
Authorized Signing Officer
Name: Phil King
Title: PRESIDENT

Per: [Signature]
Authorized Signing Officer
Name: Wm. D'Rourke
Title: SENIOR VICE PRESIDENT, FINANCE

We have authority to bind the Corporation

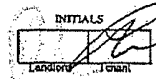
TENANT:

3250800 NOVA SCOTIA COMPANY

Per: [Signature]
Authorized Signing Officer
Name: LEE MILLER
Title: Sec. - TREAS

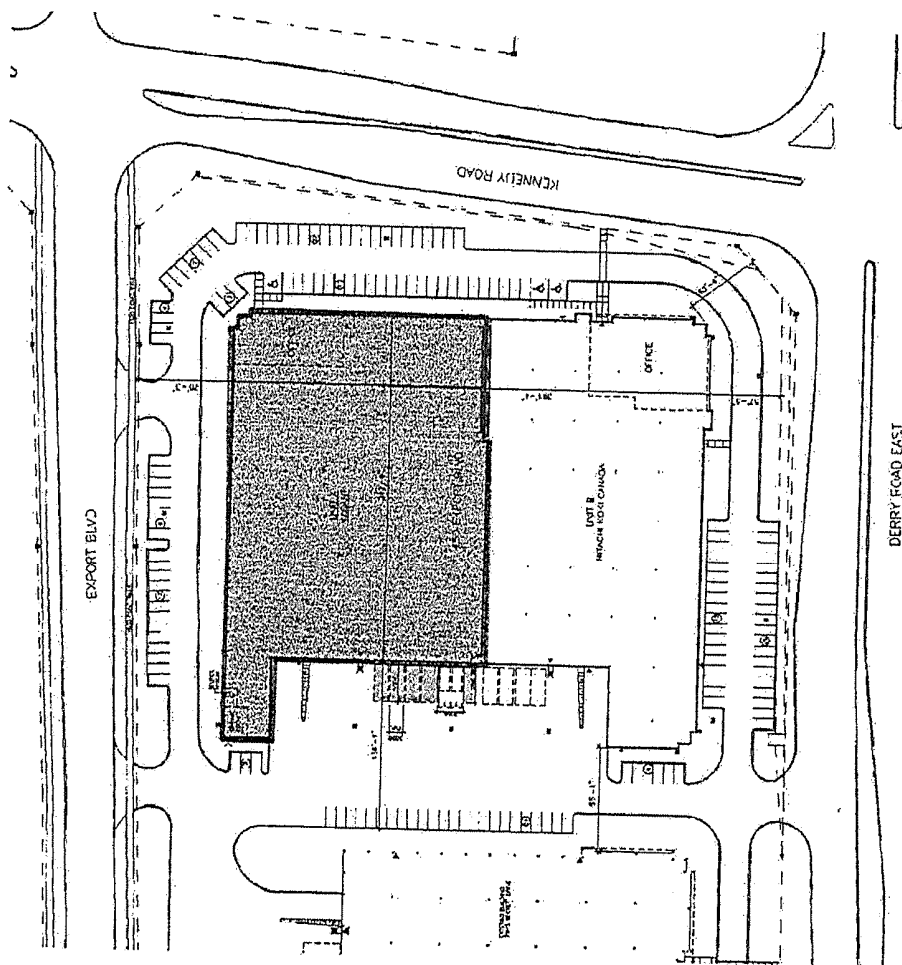
Per: [Signature]
Authorized Signing Officer
Name: DARYL MCQUANIK
Title: PRESIDENT

We have authority to bind the Corporation



SCHEDULE "A"

SITE PLAN



SCHEDULE "C"DEFINITIONS

For the purpose of this Lease:

- (a) "Additional Rent" means all amounts payable by the Tenant under the provisions of this Lease, whether payable to the Landlord or otherwise, over and above Basic Rent. Except as otherwise expressly provided in this Lease to the contrary, Additional Rent shall also include any amounts incurred by the Landlord in respect of work carried out in the Leased Premises by the Landlord at the request of the Tenant, whether such request be made by a letter, purchase order, change order, revision to the Landlord's Work or otherwise. Any such work carried out or undertaken by a company affiliated (as defined in the *Business Corporations Act* of Ontario) to the Landlord or by a company (or any of its subcontractors, agents or representatives) retained by the Landlord to perform such work shall be deemed to be "work carried out by the Landlord".
- (b) "Applicable Laws" means any statutes, laws, by-laws, regulations, ordinances, and requirements of governmental and other public authorities having jurisdiction over or in respect of the Leased Premises or Complex, or any portion thereof, and all amendments thereto at any time and from time to time, and including but not limited to the *Environmental Protection Act*, R.S.O.1990, c.E.19, as amended, and the *Canadian Environmental Protection Act*, R.S.C. 1985.
- (c) "Basic Rent" means those amounts set out as Basic Rent in Section 2.02 of this Lease.
- (d) "Building" means the building erected on the Lands and municipally known as 450 Export Boulevard in the City of Mississauga in the Regional Municipality of Peel, Province of Ontario.
- (e) "Buildings" means all of the buildings erected on the Lands.
- (f) "Capital Tax" means the amount imputed by the Landlord in respect of capital or place of business taxes, excises, rates, duties and assessments presently or hereafter levied, imposed, rated, charged or assessed from time to time upon the Landlord and/or the owners of the Complex by any government or other applicable taxing authority, based upon, in whole or in part, a reference to or on account of the capital employed or invested by the Landlord and/or the owners of the Complex in the Lands, the Building and improvements thereto, or on account of its or their ownership thereof. Capital Tax shall be calculated (i) as if the Complex were the only property of the Landlord but without reference to exempted amounts, (ii) on the basis of the Landlord's determination of the amount of capital attributable thereto, and (iii) by multiplying the amount of capital by the applicable tax rate imposed without any discounts, adjustments or reductions.
- (g) "Complex" means the Lands and the Buildings.
- (h) "Exempted Substances" means limited amounts of lubricants, solvents and adhesives routinely found in the Tenant's goods warehoused by the Tenant in the normal and ordinary course of its business operations at the Leased Premises pursuant to the permitted uses but, in any and all of such cases, only to the extent that such supplies/substances/materials: (i) are used, stored, contained, handled and disposed of in a manner that is at all times reasonable under the circumstances and in compliance with all Applicable Laws; and (ii) do not involve any re-packaging of any kind whatsoever.
- (i) "Hazardous Substances" means, without limitation, any and all hazardous substances, hazardous waste, toxic waste, dangerous goods, toxic substance, contaminants, pollutants or related materials, including without limitation, heavy oil, pesticides, flammables, explosives, radioactive materials, asbestoses, urea formaldehyde foam insulation, radon gas, PCB, any products of waste, or any other contaminants, pollutants, substances or products declared to be hazardous or toxic under the Applicable Laws.
- (j) "Landlord's Architect" means a qualified architect, engineer or Ontario Land Surveyor from time to time chosen by the Landlord.
- (k) "Landlord's Leasing Costs" means the repair and restoration obligations of the Tenant with regard to improvements to the Leased Premises as well as the Landlord's investment in Leasehold Improvements and/or Landlord's Work, if any, and any other Tenant inducements, and/or leasing commissions paid by the Landlord in respect of this Lease.

EXHIBIT “B”

This is Exhibit ^{"B"} referred to in the affidavit of DAVID FLEWELLING sworn before me, this 24th day of SEPTEMBER 2010.



.....
A COMMISSIONER FOR TAKING AFFIDAVITS
33 City Centre Drive - 2nd Flr Suite #220
Mississauga, Ontario, L5B 2N5

Royal Bank of Canada
Commercial Financial Services
33 City Centre Drive - 2nd Flr Suite #220
Mississauga, Ontario, L5B 2N5
Tel.: 905-276-3026
Fax: 905-276-3128

March 23, 2011

Private and Confidential

U&ME BEVERAGE COMPANY
450A Export Blvd
Mississauga, Ontario
L5S 1Y4

ROYAL BANK OF CANADA (the "Bank") hereby confirms the credit facilities described below (the "Credit Facilities") subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the "Agreement"). This Agreement amends and restates without novation the existing agreement dated February 4, 2011 and any amendments thereto between 3250800 Nova Scotia Company now known as U&ME Beverage Company and the Bank. Any amount owing by the Borrower to the Bank under such previous agreement is deemed to be a Borrowing under this Agreement. Any and all security that has been delivered to the Bank and is set forth as Security below, shall remain in full force and effect, is expressly reserved by the Bank and, unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities. Unless otherwise provided, all dollar amounts are in Canadian currency.

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

BORROWER: U&Me Beverage Company (the "Borrower")

CREDIT FACILITIES

Facility #1: \$137,132.00 revolving demand facility by way of:

- a) Letters of Credit in Canadian currency, or US currency ("LCs")

Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts.

- b) Letters of Guarantee in Canadian currency, or US currency ("LGs")

Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts. Minimum fee of \$100 in the currency of issue.

AVAILABILITY

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

® Registered Trademark of Royal Bank of Canada

REPAYMENT

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

Facility #2: \$3,000,000.00 reducing facility by way of Leases. Leases will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and a separate agreement, the terms of the separate agreement will govern.

AVAILABILITY

The Borrower may borrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of this facility at any time from time to time without notice. The determination by the Bank as to whether it will enter into any Lease will be entirely at its sole discretion and the term of any Lease shall not exceed 5 years.

OTHER FACILITIES

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

- a) VISA Business to a maximum amount of \$50,000.00; and
- b) All Foreign Exchange Forward Contracts outstanding at any time and from time to time.

FEES**One Time Fee:**

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

Monthly Fee:

Payable in arrears on the same day of each month.

Arrangement Fee: \$7,500.00

Other Fee:

Renewal Fee: 5 basis points of authorized credit limit outstanding at renewal date

Management Fee(non-margined): \$150.00

SECURITY

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

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Cash collateral agreement on the Bank's form 610 signed by the Borrower assigning term deposits and/or guaranteed investment certificates in the amount of \$137,131.00;
- c) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$3,200,000.00 signed by U & Me Marketing USA LLC, supported by a general security agreement registered with Uniform Commercial Code constituting a first ranking security interest in all personal property of U & Me Marketing USA LLC;
- d) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$3,200,000.00 signed by RebMac Holdings Ltd., supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of RebMac Holdings Ltd.;
- e) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$3,200,000.00 signed by RTW Enterprises LLC, supported by a general security agreement registered with Uniform

Commercial Code constituting a first ranking security interest in all personal property of RTW Enterprises LLC;

- f) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$700,000.00 signed jointly and severally by Darryl McDaniel, Lee Miller and Guillermo Castillo, supported by irrevocable and unconditional standby letter of credit or letter of guarantee in favour of the Bank, in the amount of \$700,000.00, from an issuer acceptable to the Bank, confirmed by the Bank and in form and substance satisfactory to the Bank and further supported by an independent legal advice signed by Guillermo Castillo;
- g) Postponement and assignment of claim on the Bank's form 918 signed by RebMac Holdings Ltd.;
- h) Postponement and assignment of claim on the Bank's form 918 signed by RTW Enterprises LLC; and
- i) Certificate of insurance evidencing fire and other perils coverage on the assets of the Borrower, showing the Bank as first loss payee as its interests may appear.

FINANCIAL COVENANTS

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

- a) maintain, to be measured as at the end of each fiscal quarter:
 - i Debt Service Coverage, calculated on a rolling 4 quarters basis for the fiscal quarter then ended and the immediately preceding 3 fiscal quarters, of not less than 1.00:1 during 2011 and not less than 1.25:1 by December 31, 2011, commencing August 31, 2011, next test as of September 30, 2011 and thereafter maintain a ratio of Debt Service Coverage of not less than 1.25:1.
- b) maintain, to be measured as at the end of each fiscal year:
 - i a ratio of Total Liabilities to Tangible Net Worth of not greater than 1.25:1.

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) monthly company prepared financial statements for the Borrower, within 25 days of each month end;
- b) annual audited financial statements for the Borrower, within 120 days of each fiscal year end;
- c) annual forecasted balance sheet and income and cash flow statements for the Borrower, prepared on a monthly basis for the next following fiscal year, within 120 days of each fiscal year end;
- d) biennial personal statement of affairs for all Guarantors, who are individuals, within 120 days of the end of every second fiscal year of the Borrower; and
- e) such other financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

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

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

g) no Lease will be made available to the Borrower unless it meets the leasing criteria established by the Bank and the Bank has received such documentation in respect thereof as may be required by the Bank.


GOVERNING LAW JURISDICTION

Province of Ontario.

ACCEPTANCE

This Agreement is open for acceptance until April 21, 2011, after which date it will be null and void, unless extended in writing by the Bank.

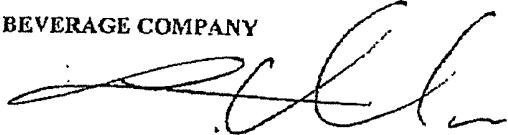
ROYAL BANK OF CANADA

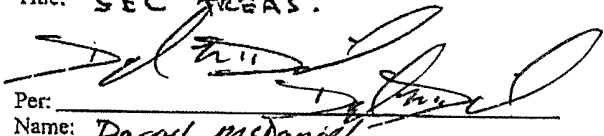
Per: 
Name: Norman Pacheco
Title: Senior Account Manager

/kk

We acknowledge and accept the terms and conditions of this Agreement on this 25 day of April, 2011.

U&ME BEVERAGE COMPANY

Per: 
Name: LEE MILLER
Title: SEC TREAS.

Per: 
Name: Darrel McDaniel
Title: President

I/We have the authority to bind the Borrower

- Attachments:
Terms and Conditions
- Schedules:
- Definitions
 - Calculation and Payment of Interest and Fees
 - Additional Borrowing Conditions

TERMS AND CONDITIONS

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

REPAYMENT

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

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

PREPAYMENT

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

EVIDENCE OF INDEBTEDNESS

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

GENERAL COVENANTS

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

- a) will pay all sums of money when due under the terms of this Agreement;

- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure and it will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower;
- p) will not, without the prior written consent of the Bank exercise its option to purchase the shares from Garden Spring Beverage Corporation as outlined in the asset purchase agreement dated February 4, 2011 between the Borrower and Garden Spring Beverage Corporation.

EXPENSES, ETC.

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

GENERAL INDEMNITY

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

AMENDMENTS AND WAIVERS

No amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

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

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles in effect from time to time, applied on a consistent basis from period to period. Any change in accounting principles or the application of accounting principles, including, without limitation, the use of differential reporting (or any changes to the selection of differential reporting options) is only permitted with the prior written consent of the Bank.

SEVERABILITY

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

GOVERNING LAW

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

DEFAULT BY LAPSE OF TIME

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

SET-OFF

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

NOTICES

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

CONSENT OF DISCLOSURE

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

NON-MERGER

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

JOINT AND SEVERAL

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

LIFE AND DISABILITY INSURANCE

The Borrower acknowledges that the Bank has offered it insurance on the Borrowings under Business Loan Insurance Plan Policy 51000 ("Policy") issued by Sun Life Assurance Company of Canada to the Bank and the Borrower hereby waives this offer or acknowledges it is ineligible for this offer and acknowledges that Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

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

COUNTERPART EXECUTION

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

ELECTRONIC MAIL AND FAX TRANSMISSION

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

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) it is duly incorporated, validly existing and duly registered or qualified to carry on business in each jurisdiction in which its business or assets are located;
- b) the execution, delivery and performance by it of this Agreement have been duly authorized by all necessary actions and do not violate its constating documents or any Applicable Laws or agreements to which it is subject or by which it is bound;
- c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or any Security or any other agreement delivered to the Bank;
- d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under

- this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

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

LANGUAGE

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

WHOLE AGREEMENT

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

EXCHANGE RATE FLUCTUATIONS

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

JUDGEMENT CURRENCY

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "**Judgement Currency**") any amount due hereunder in any currency other than the Judgement Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgement is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

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

Schedule "A" to the Agreement dated March 23, 2011, between U&Me Beverage Company, as Borrower, and Royal Bank of Canada, as the Bank.

DEFINITIONS

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

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction in any applicable jurisdiction;

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

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

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

"Debt Service Coverage" means, for any fiscal period, the ratio of EBITDA to the total of Interest Expense and scheduled principal payments in respect of Funded Debt;

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

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

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

"Equity" means the total of share capital, (excluding preferred shares redeemable within one year) contributed surplus and retained earnings plus Postponed Debt;

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

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

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

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

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

"Letter of Credit" or **"LC"** means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of paying suppliers of goods;

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

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

"Permitted Encumbrances" means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

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

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

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

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

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

"Tangible Net Worth" means the total of Equity less intangibles, deferred charges, leasehold improvements, deferred tax credits and unsecured advances to related parties. For the purpose hereof, intangibles are assets lacking physical substance;

"Total Liabilities" means all liabilities, exclusive of deferred tax liabilities and Postponed Debt;

"US" means United States of America.

Schedule "B" to the Agreement dated March 23, 2011, between U&Me Beverage Company, as Borrower, and Royal Bank of Canada, as the Bank.

CALCULATION AND PAYMENT OF INTEREST AND FEES

LIMIT ON INTEREST

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

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

TIME AND PLACE OF PAYMENT

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

RBP LOANS

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

LETTER OF CREDIT FEES

The Borrower shall pay a LC fee on the date of issuance of any LC calculated on the face amount of the LC issued, based upon the number of days in the term and a year of 365 days. If applicable, fees for LCs issued in US currency shall be paid in US currency and fees for LCs issued in any other approved currency shall be paid in Canadian currency.

LETTER OF GUARANTEE FEES

The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable. If applicable, fees for LGs issued in US currency shall be paid in US currency and fees for LGs issued in any other approved currency shall be paid in Canadian currency.

Schedule "D" to the Agreement dated March 23, 2011, between U&Me Beverage Company, as Borrower, and Royal Bank of Canada, as the Bank.

ADDITIONAL BORROWING CONDITIONS

LCs or LGs:

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

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

FEF Contracts

"Foreign Exchange Forward Contract" or "FEF Contract" means a currency exchange transaction or agreement or any option with respect to any such transaction now existing or hereafter entered into between the Borrower and the Bank;

At the Borrower's request, the Bank may agree to enter into FEF Contracts with the Borrower from time to time. The Borrower acknowledges that the Bank makes no formal commitment herein to enter into any FEF Contract and the Bank may, at any time and at all times, in its sole and absolute discretion, accept or reject any request by the Borrower to enter into a FEF Contract. If the Bank does enter into a FEF Contract with the Borrower, it will do so subject to the following:

- a) the Borrower shall promptly issue or countersign and return a confirmation or acknowledgement of the terms of each such FEF Contract as required by the Bank;
- b) the Borrower shall, if required by the Bank, promptly enter into a Foreign Exchange and Options Master Agreement or such other agreement in form and substance satisfactory to the Bank to govern the FEF Contract(s);
- c) in the event of demand for payment under the Agreement of which this schedule forms a part, the Bank may terminate all or any FEF Contracts. If the agreement governing any FEF Contract does not contain provisions governing termination, any such termination shall be effected in accordance with customary market practice. The Bank's determination of amounts owing under any terminated FEF Contract shall be conclusive in the absence of manifest error. The Bank shall apply any amount owing by the Bank to the Borrower on termination of any FEF Contract against the Borrower's obligations to the Bank under the Agreement and any amount owing to the Bank by the Borrower on such termination shall be added to the Borrower's obligations to the Bank under the Agreement and secured by the Security;
- d) the Borrower shall pay all required fees in connection with any FEF Contracts and indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank in relation to any FEF Contract;

-
- e) any rights of the Bank herein in respect of any FEF Contract are in addition to and not in limitation of or substitution for any rights of the Bank under any agreement governing such FEF Contract. In the event that there is any inconsistency at any time between the terms hereof and any agreement governing such FEF Contract, the terms of such agreement shall prevail; and
 - f) in addition to any security which may be held at any time in respect of any FEF Contract, upon request by the Bank from time to time, the Borrower will deliver to the Bank such security as is acceptable to the Bank as continuing collateral security for the Borrower's obligations to the Bank in respect of FEF Contracts.



Royal Bank of Canada
 Commercial Financial Services
 33 City Centre Drive - 2nd Floor
 Suite #220
 Mississauga, Ontario, L5B 2N5
 Tel.: 905-276-3026
 Fax: 905-276-3128

April 11, 2011

Private and Confidential

U&ME BEVERAGE COMPANY

450A Export Blvd
 Mississauga, Ontario
 L5S 2A4

We refer to the agreement dated March 23, 2011 and any amendments thereto, between U&Me Beverage Company, as the Borrower, and Royal Bank of Canada, as the Bank, (the "Agreement").

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

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

The Agreement is amended as follows:

1. Under the Security section, paragraphs b) and f) are deleted in their entirety.
2. Under the security section, paragraphs j), k) and l) are added to the Agreement.
 - j) Cash collateral agreement on the Bank's form 610 signed by the Borrower assigning term deposits and/or guaranteed investment certificates in the amount of US\$700,000.00;
 - k) Guarantee and postponement of claim on the Bank's form 812 in the amount of US\$700,000.00 signed jointly and severally by Darryl McDaniel and Lee Miller;
 - l) Letter signed by Darryl McDaniel and Lee Miller, agreeing to release guarantee and postponement of claim on the Bank's form 812 in the amount of \$700,000.00 signed by Darryl McDaniel, Lee Miller and Guillermo Castillo.
3. Under the Terms and Conditions, the Repayment section is amended by adding the following and inserting it at the end of the first paragraph:

For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

* Registered Trademark of Royal Bank of Canada

4. Schedule "J" – RBC Covarity Dashboard Terms and Conditions is added as attached.

CONDITIONS PRECEDENT

The effectiveness of this amending agreement is conditional upon receipt of a duly executed copy of this amending agreement.


COUNTERPART EXECUTION

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

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

This amending agreement is open for acceptance until May 11, 2011, after which date it will be null and void, unless extended in writing by the Bank.


ROYAL BANK OF CANADA


Per: 
Name: Norman Pacheco
Title: Senior Account Manager

/kk

Agreed to and accepted this 12TH day of APRIL, 2011.

U&ME BEVERAGE COMPANY

Per: 
Name: DARRYL MCDANIEL
Title: President

Per: 
Name: LEE MILLER
Title: Secretary

I/We have the authority to bind the Borrower

Schedule:

- RBC Covarity Dashboard Terms and Conditions

Schedule "J" to the Agreement dated March 23, 2011, between U&Me Beverage Company, as Borrower, and Royal Bank of Canada, as the Bank.

RBC COVARIETY DASHBOARD TERMS AND CONDITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Virus" means an element which is designed to corrupt data or enable access to or adversely impact upon the performance of computer systems, including any virus, worm, logic bomb and Trojan horse. Terms defined in the Agreement have the same meanings where used in the RBC Covarity Dashboard Terms and Conditions.

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

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

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

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

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

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

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

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

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

5. Unsecure Electronic Channels. The Borrower acknowledges and agrees that if it uses, or if it authorizes and directs the Bank to use, any unencrypted Electronic Channel, including unencrypted e-mail or facsimile, any Electronic Communication sent, received and/or accepted using such Electronic Channel is not secure, reliable, private or confidential. Any such Electronic Communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Borrower assumes full responsibility for the risks associated with such Electronic Communication.

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

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

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

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

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

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

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

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

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

EXHIBIT “C”

This is Exhibit ^{11C} referred to in the affidavit of DAVID FLEWELLING sworn before me, this 24th day of SEPTEMBER, 2012

084



Master Lease Agreement (PPSA - S)

This lease agreement (the "Lease Agreement") made as of the 26th day of March 2012 between

ROYAL BANK OF CANADA ("Lessor")

and

U&M Beverage Company ("Lessee")

Address:
320 Front Street West
11th Floor,
Toronto, Ontario
M5V 3B6

Address:
450A Export Blvd
Mississauga, Ontario
L5S 1Y4

Lessor and Lessee agree as follows:

1. Leasing of Equipment

- 1.1 Lessor may, from time to time, at its option, on the request of Lessee, acquire equipment for leasing to the Lessee ("**Equipment**"), pursuant to the terms of this Lease Agreement and the relevant supplemental agreement ("**Leasing Schedule**").
- 1.2 Neither the Lessor, nor the Lessee on behalf of Lessor, will order or acquire any Equipment unless Lessee has executed such documents and agreements as Lessor may require. Lessee will advise Lessor promptly of any Equipment ordered or acquired by Lessee on behalf of Lessor pursuant to this Lease Agreement.
- 1.3 Lessee will provide Lessor with a copy of the invoice for each item of Equipment to be purchased pursuant to this Lease Agreement, addressed to Lessor. A Leasing Schedule for that Equipment shall be entered into before payment is made for the Equipment.
- 1.4 Lessee shall conduct such acceptance testing of any Equipment to be purchased pursuant to this Lease Agreement as may be appropriate in the circumstances, and promptly upon successful completion of that acceptance testing shall sign the relevant Leasing Schedule for the Equipment, and return one executed Leasing Schedule to the Lessor.
- 1.5 Lessor shall have no responsibility under any purchase order or any purchase or license agreement or any Leasing Schedule if Lessee does not accept the Equipment and sign and deliver to Lessor the Leasing Schedule(s) and acceptance certificate for that Equipment. Any agreement with the seller of the Equipment will include a provision to this effect.
- 1.6 Each Leasing Schedule shall constitute a separate Lease of the Equipment described in the Leasing Schedule but incorporating the terms of this Lease Agreement. In the event of a conflict between the terms of this Lease Agreement and any Leasing Schedule with respect to any Lease, the terms of the Leasing Schedule shall govern.
- 1.7 Terms not otherwise defined herein shall have the same meaning ascribed under the Leasing Schedule.

2. Payment of Equipment Cost

- 2.1 Lessor will pay the agreed cost to be funded by Lessor for the Equipment acquired pursuant to this Lease Agreement on the later of: (i) the due date for payment, and (ii) delivery of the signed Leasing Schedule.

3. Rental

- 3.1 Lessee shall pay to Lessor the rental payable, as set out in the Leasing Schedule. The first installment is payable on the Commencement Date of the Term and the last of such installments is payable on the Termination Date of Term, all as shown on the relevant Leasing Schedule.

4. Rent Payment

- 4.1 The Total Rental Installments shall be paid at the office of Lessor, at the address set out on page 1 of this Lease Agreement, or at such other place in Canada as Lessor may from time to time designate by notice.

5. Ownership

- 5.1 Title to, ownership of, and property in, the Equipment shall at all times be and remain solely and exclusively in the Lessor, subject only to the rights of Lessee to use the Equipment pursuant to the provisions of this Lease, and to purchase the same pursuant to any option granted in the relevant Leasing Schedule.

6. Personal Property

- 6.1 Notwithstanding any purposes for which the Equipment may be used or that it may become in any manner affixed or attached to or embedded in or permanently rested upon land or any structure

thereon, it shall remain moveable personal property, and subject to all of the rights of Lessor under the Lease to which it is subject.

- 6.2 Lessee agrees to use all reasonable commercial efforts to obtain a waiver, if required by and in a form satisfactory to Lessor, from any landlord, mortgagee, hypothecary creditor or other encumbrancers or any person having any interest in the land or structure referred to in Section 6.1 hereof consenting to this Lease Agreement and any relevant Leasing Schedule, and to the exercise by Lessor of its rights thereunder and hereunder and declaring that such encumbrances do not affect the Equipment.
- 6.3 Solely for the purpose of, and to the extent reasonably necessary to protect the interest of the Lessor as to its title and first priority interest in the Equipment, and without election or admission that this Agreement or any Leasing Schedule is a finance lease, the Lessee grants a security interest in any interest of the Lessee in the Equipment to the Lessor.

7. Licence

- 7.1 Lessee agrees that Lessor:
 - (a) may at any time and from time to time, if an Event of Default (s.18) has occurred and is continuing, enter upon any lands and premises where any Equipment is located with all such force as may be reasonably required, to dismantle, detach and remove the Equipment or render it unusable;
 - (b) shall not be liable for any damage done to those lands or premises in exercising those rights, save only such damage as may be caused by the gross negligence or willful act of Lessor or its agents or servants; and
 - (c) may, at its election, register, by way of caveat or otherwise, against those lands and premises of its rights under the Lease.

8. Exclusion of Warranties

- 8.1 Lessee acknowledges that the Equipment will be personally chosen and selected by Lessee and that it will be of a make, size, design and capacity specified by Lessee for the purpose intended by Lessee.
- 8.2 Lessee confirms that Lessor does not make or give any representation or warranty, express or implied, as to the Equipment, its condition, fitness or suitability for any particular use intended by Lessee.
- 8.3 Lessee shall bear the risk of any theft, loss or destruction of or damage to any item of Equipment. Lessee acknowledges that none of these events will in any way affect its obligations, which will continue in full force and effect, except to the extent of any proceeds of any insurance maintained by Lessee that are actually received by Lessor.
- 8.4 Lessee shall not exert or claim against Lessor any defense, write-off, set-off, claim or counterclaim to which Lessee may be entitled against the supplier(s), and no such right shall affect the Lessor's obligations.

9. Maintenance and Use

- 9.1 Lessee will, at its own expense:
 - (a) keep the Equipment in good operating condition and repair including, without limitation, the repair of any damage to the Equipment, whatever the cost, except for the repair of ordinary wear and tear, provided that Lessee will repair ordinary wear and tear if such repair is required to maintain the Equipment in good operating condition and repair; and
 - (b) comply in all respects with all recommendations, or requirements of the supplier(s) or manufacturer(s) regarding the Equipment, as may be necessary to preserve all warranties.
- 9.2 Any parts or anything else that are, as part of Lessee's maintenance and repair of the Equipment, placed in or upon the Equipment shall

form part of the Equipment, become property of the Lessor, and be free of all adverse claims.

10 Inspection

10.1 Lessor and its agents shall have the right to inspect the Equipment at any reasonable time upon reasonable notice to Lessee, and Lessee shall afford all reasonable facilities required by the Lessor or its agents for the purpose of inspection, and for that purpose may enter any premises where the Equipment is located.

11. Insurance

11.1 As and from the earlier of the date upon which Lessor acquires ownership of, or title to, the Equipment or the date on which Lessee takes possession or control of the Equipment, and thereafter throughout the term of each relevant Leasing Schedule, Lessee shall, at its sole expense:

- (a) place and maintain all risks property insurance on the Equipment, in amounts satisfactory to Lessor, consistent with Lessee's normal and usual practice for insuring equipment of the same general classification. This property damage insurance shall specifically state by its wording or by endorsement that it:
- i) includes Lessor (as owner) as an additional named insured,
 - ii) includes a loss payable clause in favour of Lessor,
 - iii) includes a waiver of subrogation clause in favour of Lessor;
- (b) place and maintain comprehensive general liability insurance, and automobile liability insurance in the case of leased licensed motor vehicles, with limits of liability satisfactory to Lessor for injury to or death of any one or more persons or damage to property. Said insurance shall specifically state by its wording or by endorsement that it:
- i) extends to cover the liabilities of the Lessee from the use or possession of the Equipment,
 - ii) includes Lessor as an additional named insured, and
 - iii) includes a cross liability provision that the policy shall insure each person, firm or corporation insured thereunder in the same manner and to the same extent as if a separate policy had been issued to each, but the inclusion therein of more than one insured shall not operate to increase the limits of the insurers' liability.
- 11.2 Lessee shall supply Lessor with a certificate of insurance or other evidence satisfactory to Lessor evidencing the foregoing coverage and evidence of its renewal or replacement from time to time, so long as any Leasing Schedule remains in force and effect.

12. Taxes

12.1 Lessee shall pay punctually all sales taxes, licence fees, business taxes, levies and assessments of every nature and kind whatsoever which be or become payable at any time or from time to time upon, or in respect of, the Equipment, and any payments to be made under this Lease Agreement or any Leasing Schedule, except for income taxes payable by Lessor.

13. Adverse Claims

13.1 Lessee shall keep the Equipment free and clear of all adverse claims. Lessee may contest any adverse claim provided that Lessee:

- a) gives Lessor notice of the adverse claim;
- b) provides Lessor with an indemnity and collateral security, both satisfactory to Lessor; and
- c) contests the adverse claim with all due dispatch.

14. Laws and Regulations

14.1 Lessee shall comply with all laws, by-laws and regulations relating to the ownership, possession, operation and maintenance of the Equipment including, without limiting the generality of the foregoing, laws, by-laws or regulations dealing with the protection of the environment, health and safety. Lessee will obtain and maintain all necessary licenses, permits and permissions required for the use of the Equipment.

15. Alterations

15.1 All alterations, additions or improvements made by Lessee to the Equipment shall be at Lessee's expense and shall belong to and become the property of Lessor and be subject to all the provisions of this Leasing Agreement and the relevant Leasing Schedule.

16. Loss of Equipment

16.1 Lessee shall bear the risks of (i) any total loss, or loss that amounts, in the sole opinion of the Lessor, to a total loss of the Equipment through theft, damage, destruction, or even by superior force and (ii) any expropriation or other compulsory taking or use of the Equipment by any government or other authority ("Loss of Equipment"). If a Loss of Equipment occurs, Lessee shall pay to Lessor an amount calculated by discounting the aggregate amount

of all Rental Instalments, including the Purchase Option amount, if any, specified under the applicable Leasing Schedule which were to be paid during the remainder of the Term, using an assumed rate equal to the lesser of;

- i) five percent (5%);
- ii) the bond rate at the date, for the equivalent term to maturity, of the applicable Leasing Schedule; and
- iii) the bond rate at the date of the discount calculation for a term equivalent to the remaining term of such Leasing Schedule (with, in the case of (ii) and (iii), Canadian dollar obligations being benchmarked against bonds issued by the Government of Canada and U.S. dollar obligations being benchmarked against bonds issued by the Government of the United States of America).

16.2 Upon such payment, Lessor shall convey on an "as is", "where is" basis, subject to the rights of the insurer, all its right, title and interest in the Equipment and any claim for proceeds of loss of equipment, in which case the Lease shall terminate with respect to that Equipment, and no further rental payment shall be payable thereafter with respect to that Equipment. All Federal and Provincial sales or transfer taxes, licence fees and similar assessments connected with the transfer of Lessor's right, title and interest to the Equipment to Lessee shall be paid by Lessee.

17. Lessee's Acknowledgements - Foreseeable Damages

17.1 Lessee hereby acknowledges that Lessor:

- (a) has or will acquire the Equipment at the request and direction of Lessee and for the purpose of leasing same to Lessee under a Leasing Schedule; and
- (b) intends to treat the lease of Equipment to the Lessee as a true lease and to claim over the term of the lease all available tax benefits. Lessee acknowledges that if an Event of Default occurs, Lessor's return on its investment may be adversely affected. In that case Lessor may, in addition to its immediate loss of interest on its investments, sustain and claim from Lessee other foreseeable damages which cannot be quantified on the date of execution of this Lease Agreement or any Leasing Schedule. Those damages may include, without limitation, loss of fiscal benefits for the remainder of the term of any lease of any Equipment or increased tax liabilities or both, unanticipated increased administrative costs, amortized but unrecovered setup costs, fees and disbursements as well as additional or increased monetary liabilities towards any third party lender, under or by reason of such Event of Default and the premature termination of the lease of any Equipment and the funding thereof.

18. Events of Default

18.1 Any of the following is an "Event of Default":

- (a) Failure by Lessee to pay any Total Rental Installment or other amount pursuant to any Leasing Schedule.
- (b) Failure by Lessee to perform any of its obligations under Sections 11 or 14 of this Lease.
- (c) Failure of Lessee to perform any of its other obligations within 15 days of notice from Lessor as to the failure and requiring it to be rectified.
- (d) The bankruptcy or insolvency of Lessee, the filing against Lessee of a petition in bankruptcy, the making of an authorized assignment for the benefit of creditors by Lessee, the appointment of a receiver or trustee for Lessee or for any assets of Lessee or the institution by or against Lessee of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise, or the institution by or against Lessee of any formal or informal proceedings for the dissolution or liquidation of, settlement of, claim against or winding up of affairs of Lessee.
- (e) The amalgamation of Lessee with another corporation or corporations, or continuation of Lessee under a statute other than the statute under which it exists at the date of execution of this Lease Agreement.
- (f) If any adverse claim becomes enforceable against Lessee affecting or against any Equipment.
- (g) Failure of the Lessee to perform any obligation it may have under any agreement with Royal Bank of Canada or any of its subsidiaries.
- (h) A change that is, in the opinion of Lessor, a material adverse change in the business, financial condition or ownership of Lessee or Equipment.

19. Lessor's Remedies on Default

19.1 If an Event of Default occurs, Lessor may, without notice to Lessee, take possession of all Equipment, and for that purpose may enter any premises where any of the Equipment is located. Lessor may

sell, lease or otherwise dispose of Equipment for such consideration and upon such terms and conditions as it considers reasonable. This includes, without limitation, the right in the name of and as the irrevocably appointed agent and attorney of Lessee, to lease any item of the Equipment to any other person upon such terms and conditions, for such rental and for such period of time as Lessor may deem reasonable, without terminating or being deemed to have terminated the relevant Leasing Schedule, and to receive that rental and hold and apply it against any amount owing by Lessee to Lessor under the Lease. All of these rights are without prejudice to Lessor's other rights and recourses against Lessee, at law or in equity.

19.2 If an Event of Default occurs, then whether or not Lessor has taken possession of any Equipment, Lessee shall pay to Lessor on demand an amount determined as follows:

- a) an amount calculated by discounting the aggregate amount of all Rental Instalments, including the Purchase Option amount, if any, specified under the applicable Leasing Schedule which were to be paid during the remainder of the Term, using an assumed rate equal to the lesser of:
 - i) five percent (5%);
 - ii) the bond rate at the date, for the equivalent term to maturity, of the applicable Leasing Schedule; and
 - iii) the bond rate at the date of the discount calculation for a term equivalent to the remaining term of such Leasing Schedule (with, in the case of (ii) and (iii), Canadian dollar obligations being benchmarked against bonds issued by the Government of Canada and U.S. dollar obligations being benchmarked against bonds issued by the Government of the United States of America); plus.
- b) the amount of any damages described in Section 17.1 suffered or sustained by Lessor and not recovered pursuant to Section 19.2 (a); plus
- c) the amount of any Total Rental Installments or payments of interim rental due as of the date of Event of Default and unpaid, and any other amount due on that date and unpaid under the Lease; plus
- d) any cost of disposition of the Equipment; less
- e) the amount of any security deposits under that Leasing Schedule and any proceeds of the disposal of the Equipment actually received by Lessor.

19.3 If Lessor has leased Equipment pursuant to its rights under this Section 19 it may demand payment under Section 19.2, and account to Lessee for the proceeds of that lease as and when Lessor receives them.

19.4 If Lessor has not taken possession of the Equipment, and Lessee pays Lessor the amount determined under Section 19.2 hereof, then Lessor will convey all of its right, title and interest in all Equipment to Lessee, on the terms of Sections 21.5 and 21.6 hereof

20. Lessor's Option to Terminate

20.1 Lessee agrees that neither this Lease Agreement nor any Leasing Schedule, nor any interest therein or in any Equipment, shall be assignable or transferable by operation of law and it is agreed and covenanted by and between the parties hereto that if any Event of Default shall occur or happen, then this Lease Agreement and any and all Leasing Schedules shall, at the option of the Lessor to be exercised by notice hereunder, immediately end and terminate and neither this Lease Agreement nor any Leasing Schedule or any interest therein shall be an asset of Lessee after the exercise of that option; provided that no such termination shall terminate or affect any right or remedy which shall have arisen under the Lease prior to such termination.

21. Option to Purchase

21.1 If there is no Event of Default, Lessor hereby grants to Lessee an option to purchase whatever title Lessor may have to the Equipment for the purchase price and at the time or times set forth in the relevant Leasing Schedule.

21.2 This option to purchase may be exercised by Lessee by giving to Lessor notice of Lessee's intention to exercise such option, at least thirty (30) days prior to the date of intended purchase, describing the Equipment with respect to which such option is being exercised.

21.3 The intended purchase and sale shall be concluded on a date specified in the said notice falling on or after, the date stated in the relevant Leasing Schedule, but in any event not later than the termination date of the term pertaining to the Equipment being purchased.

21.4 Upon the exercise of this option, there shall be a binding agreement for the sale and purchase of the Equipment described in the notice on the terms and conditions provided herein. The purchase price shall be paid to Lessor at the time of the conclusion of the sale.

21.5 Upon this purchase, Lessor shall sell the Equipment so purchased free and clear of all interests of Lessor under this Lease Agreement and any Leasing Schedule and thereupon this Lease shall terminate with respect to the Equipment so purchased. The sale shall be on an "as-is where-is" basis and be without representation or warranty by Lessor except that it has the right to sell the Equipment to Lessee and that it has not given any security interest in the Equipment to any third party.

21.6 Lessee shall bear the cost of any taxes, licence or registration fees or other assessments or charges imposed on, or connected with, the transfer of title to and ownership of the Equipment.

22. Remedying Defaults

22.1 If Lessee shall fail to perform or comply with any of its obligations under this Lease Agreement or any Leasing Schedule, Lessor at its discretion may do all such acts and make all such disbursements as may be necessary to cure the default and any costs incurred or disbursements made by Lessor incurring any such default shall be payable by Lessee on demand.

23. Indemnification

23.1 Lessee will indemnify Lessor and save Lessor harmless from and against all loss, costs, damage or expense of every nature and kind whatsoever sustained or suffered by Lessor, or for which the Lessor may be or become liable, resulting from:

- (a) the execution of the Lease Agreement or any Leasing Schedule by Lessor or the purchase or ownership by Lessor of the Equipment;
- (b) the non-acceptance by Lessee or the failure, refusal or neglect of Lessee to accept the Equipment;
- (c) the moving, delivery, maintenance, repair, use, operation or possession of the Equipment by Lessee or the ownership thereof or other rights held therein by Lessor; or
- (d) the failure of Lessee to comply with any of its obligations under the Lease Agreement or a Leasing Schedule; unless caused by the act or neglect of Lessor, its servants or agents.

24. Assignment of Warranties

24.1 Lessor hereby assigns to Lessee the benefit of all warranties resulting from the sale entered into with the supplier for its use during the term of the Lease.

25. Patent Infringement

25.1 Lessee shall defend and hold Lessor free and harmless from any cost, loss, damage or expense suffered or incurred by Lessor in any suit, proceeding or otherwise so far as the same is based on any claim that the use or operation of the Equipment by Lessee infringes any patent or copyright.

26. Overdue Payment

26.1 Any overdue payment shall bear interest at the rate of Royal Bank Prime Interest Rate plus five per cent (5%) per annum calculated monthly whether before or after judgement, from the date it is due until paid.

27. Delivery at Termination

27.1 Lessee shall on the expiration or sooner termination of any Lease, surrender the Equipment to Lessor at a place in Canada designated by Lessor in good order and repair, ordinary wear and tear excepted.

27.2 In the event that with or without the consent of Lessor, Lessee remains in the possession of or uses the Equipment after the expiration of the term of the Lease pertaining thereto, all the provisions of the Lease shall apply thereto, including the payment of rental and all other payments required, unless and until the same has been surrendered pursuant to the terms of this section, or Lessor has relieved Lessee from its obligations under the Lease with respect to the Equipment.

28. Notice

28.1 Any notice required to be given hereunder shall be in writing and may be personally delivered or sent by facsimile or may be forwarded by registered mail. If any such notice is so mailed it shall be deemed to have been given by the sender and received by the party hereto to whom it has been addressed two business days after the due mailing thereof by prepaid registered mail addressed to the address shown on page 1 of this Lease Agreement or on the same business day if sent by delivery or facsimile.

28.2 Any person to whom a notice is required to be addressed may from time to time give notice of any change of address and in such event

the foregoing addresses shall be deemed to have been changed accordingly.

29. Assignment and Sub-Letting

29.1 Lessee will not assign any Lease or sub-let any Equipment without the prior consent in writing of Lessor, such consent not to be unreasonably withheld. No assignment of the Lease or sub-letting of any Equipment shall relieve the Lessee of its obligations hereunder nor shall any subletting be for a term which extends beyond the expiration of the term of the Lease Agreement.

30. Corporate Waiver

30.1 Lessee waives its right to receive a copy of any financing statement or financing change statement registered by Lessor.
30.2 The Lessee hereby acknowledges that seizure or repossession of the Equipment referred to in any Lease shall not, by implication of law, extinguish the Lessee's indebtedness under any such Lease or other collateral security.

31. Limitation of Civil Rights - Saskatchewan

31.1 Lessee covenants and agrees with Lessor that The Limitation of Civil Rights Act of the Province of Saskatchewan shall have no application to this Lease Agreement or any Leasing Schedule.

32. Successors and Assigns

32.1 The Lease Agreement and each Leasing Schedule shall enure to the benefit of, and be binding upon Lessor and Lessee, their successor and permitted assigns and the sub-lessees of Lessee. Lessor shall be at liberty to assign and otherwise deal with its rights under any Lease.

33. Location of Equipment

33.1 Lessee shall not part with possession of the Equipment.
33.2 Lessee declares that the Equipment will be located at the "Place of Use" in the relevant Leasing Schedule. If the location changes, Lessee will promptly give to Lessor notice of the new location not later than five (5) days after the change.

34. Records

34.1 Lessee shall maintain a record describing each item of Equipment, all changes, replacements, modifications and alterations thereto and the cost thereof. The record described shall be available to Lessor, its representatives or agents for inspection and to copy.

35. Offset

35.1 Lessee hereby waives any and all existing and future claims and offsets against any payment due to Lessor hereunder and agrees to pay those amounts due hereunder regardless of any offset or claim which may be asserted by Lessee or on its behalf.

36. Remedies Cumulative

36.1 All rights and remedies of Lessor hereunder are cumulative and not alternative and may be exercised by Lessor separately or together, in any order, sequence of combination.

37. Time

37.1 Time is and shall be in all respects of the essence of any Lease.

38. Entire Transaction

38.1 This Lease Agreement and Leasing Schedules represent the entire transaction between the parties hereto relating to the subject matter.
38.2 No agreement purporting to amend or modify this Lease Agreement or any Leasing Schedule or any document, paper or written relating hereto or thereto, or connected herewith or therewith, shall be valid

and binding upon the parties hereto unless in writing and signed and accepted in writing by both parties hereto.

39. No Merger in Judgment

39.1 The taking of any judgment under this Lease Agreement or any Leasing Schedule shall not operate as a merger of any term, condition or provision hereof or thereof.

40. Further Assurances/Copy of Agreement

40.1 Lessee shall give further assurances and do, execute and perform all such acts, deeds, documents and things as may be reasonably required to enable Lessor to have the full benefit of all rights and remedies intended to be reserved or created hereby.

40.2 Lessee acknowledges receipt of a copy of this Lease Agreement.

41. Proper Law

41.1 This Lease Agreement and each Leasing Schedule hereto shall be governed, construed and enforced in accordance with the laws of the Province of Ontario.

42. Currency

42.1 All sums payable by Lessee to Lessor under this Lease Agreement or any Leasing Schedule hereto shall be paid in Canadian dollars, unless otherwise specified in the Leasing Schedule.

43. Language

43.1 This Lease Agreement and each Leasing Schedule are drawn up in the English language at the request of both parties.
Le présent contrat de location a été rédigé en langue anglaise à la demande des deux parties.

44. General

44.1 Any terms herein defined in the singular number shall have a corresponding meaning when used in the plural.

44.2 Any act or deed required to be observed, performed or done hereunder falling on a Saturday, Sunday or other statutory holiday shall be observed, performed or done on the business day next following but any delay hereby granted shall not extend to relieve either party from the due performance and fulfillment of its obligations hereunder.

45. Facsimile Language

45.1 The Lessor will be entitled to rely on any signature appearing on a facsimile transmission that purports to be a signature of the Lessee or of a representative of the Lessee as being authorized, valid and binding on the Lessee, even if the signature was not, in fact, signed by the Lessee or its representative. The Lessee will keep the originals of all documents and instructions transmitted to the Lessor by facsimile, and will produce them to the Lessor upon request. Lessor and the Lessee agree that a copy of a document transmitted by fax shall be admissible as evidence of its contents and its execution by the parties in the same manner as an original document, and expressly waive any right to object to its introduction in evidence, including any right to object based on the best evidence rule.

46. Financial Information

46.1 Lessee will provide to the Lessor from time to time such information about Lessee and Lessee's business as the Lessor shall reasonably request, including, without limitation, bank and financing ratings, any financial statements prepared by or for Lessee regarding Lessee's business.


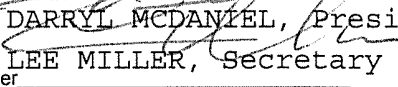
In witness whereof the parties hereto have executed this Lease Agreement on the 25th day of March, 2011 over the hands of their proper signing officers duly authorized in that behalf:

Royal Bank of Canada

per 

per _____

U&ME Beverage Company

per 
DARRYL MCDANIEL, President
per 
LEE MILLER, Secretary

We have the authority to bind the corporation



Leasing Schedule

(PPSA - S)

Lessee # 82898 Lease # 22145

Royal Bank of Canada, as Lessor, hereby leases to U&ME Beverage Company as Lessee, the Equipment hereinafter described, in consideration of rental and for the term hereinafter set forth the whole pursuant to and subject to the terms and conditions set forth in that certain Master Leasing Agreement entered into between the Lessor and the Lessee as of March 25, 2011


1. Equipment	Quantity	Make and Description	Model Number	Serial Number
		All equipment, goods and services as further detailed on the Equipment Schedule attached hereto, including all attachments, additions, replacements, and substitutions.		
2. Term	Term (in months)		60	
	Commencement Date of Term		March 25, 2011	
	Termination Date of Term		April 25, 2016	
3. Rental	Rental Installment, payable Monthly, in Arrears			\$57,137.45
	GST/HST, if any			\$7,427.87
	PST/QST, if any			\$0.00
	Total Monthly Rental Installment			\$64,565.32
	Security Deposit			\$0.00
	Other Charges			\$847.50
4. Option to Purchase	Option to Purchase Date			Purchase Price
	April 24, 2016			\$1.00
5. Place of Use	Ontario			
6. Equipment Acceptance Certificate	The Lessee hereby certifies that all the equipment identified above in Section (1) of this Leasing Schedule has been received in good condition as ordered and has been assembled, installed, tested, etc., applicable, and is operating in accordance with the manufacturers' specification. Lessee has made or caused to be made all such tests and inspections of the Equipment, as they have reasonably deemed necessary to satisfy themselves as to the foregoing. Without prejudice to the Lessee's rights against manufacturers, suppliers or other, the Lessee hereby releases and discharges the Lessor from any and all actions, causes of actions, claims, demands rights, defences, setoffs, abatements and compensation now or hereinafter arising out of or in relation to the Equipment, or, without limitation, any latent defect therein.			

As provided in the Master Lease Agreement, the Lessor will be entitled to rely on facsimile transmissions from the Lessee.

The Lessee covenants and agrees with the Lessor that the Lessee is not entering into, and will not otherwise direct, administer or operate, this Leasing Schedule for the benefit or on behalf of any Person other than the Lessee. "Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association and any other incorporated or unincorporated entity.

The parties hereto have each executed this Leasing Schedule on the respective dates set forth below and this schedule is deemed to have been executed on the later of such dates. All appendices, if any, attached to this schedule form part of the Leasing Schedule.

ROYAL BANK OF CANADA

per  _____

date April 6, 2011 _____

Revised 04/2009

U&ME Beverage Company

per  _____
DARRYL MCDANIEL, President

per  _____
LEE MILLER, Secretary


date We have the authority to bind the _____
corporation

EQUIPMENT SCHEDULE

This is the Equipment Schedule attached to and forming part of Lease No. 82898-22145 (the "Lease") between U&ME Beverage Company as Lessee and Royal Bank of Canada as Lessor.

Vendor	Invoice #	Invoice Date	Equipment Cost
U&ME Beverage Company	Bill of Sale	March 25, 2011	\$3,000,000.00

Initialed by
Royal Bank of Canada:



Initialed by
U&ME Beverage Company:

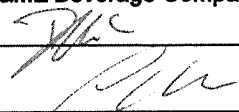


EXHIBIT “D”

GENERAL SECURITY AGREEMENT



1. SECURITY INTEREST

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

This is Exhibit... referred to in the affidavit of DAVID FLEWELLING sworn before me, this 24th day of SEPTEMBER 2012

A COMMISSIONER FOR TAKING AFFIDAVITS

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

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

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

2. INDEBTEDNESS SECURED

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

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

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

- (a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;
(b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;
(c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;
(d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations; and

(e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

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

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral,
- (iv) any loss or damage to Collateral,
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;

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

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

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

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

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

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

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

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any

manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES

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

7. COLLECTION OF DEBTS

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

8. INCOME FROM AND INTEREST ON COLLATERAL

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the Indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

(a) Whether or not default has occurred, Debtor authorizes RBC:

- (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

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

10. DISPOSITION OF MONEY

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

11. EVENTS OF DEFAULT

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

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

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

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

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

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

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

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

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

12. ACCELERATION

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

13. REMEDIES

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

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

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

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

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

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

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

(h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

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

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

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein mentioned branch of RBC is located, as those laws may from time to time be in effect, including where applicable, the P.P.S.A.

15. COPY OF AGREEMENT

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

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

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

INDIVIDUAL DEBTOR

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

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR U&ME BEVERAGE COMPANY			
ADDRESS OF BUSINESS DEBTOR 6 Hewitt Drive	CITY Grimsby	PROVINCE ON	POSTAL CODE L3M 0A4


TRADE NAME (IF APPLICABLE)

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

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 1st day of ~~March~~ ^{April}, 2011.

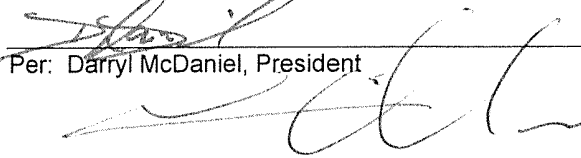
U&ME BEVERAGE COMPANY

WITNESS _____


Per: Darryl McDaniel, President

Seal

WITNESS _____


Per: Lee Miller, Secretary

Seal

We have authority to bind the Corporation.

BRANCH ADDRESS

33 City Centre Drive, Mississauga, Ontario, L5B 2N5

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

INDIVIDUAL DEBTOR

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

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR U&ME BEVERAGE COMPANY			
ADDRESS OF BUSINESS DEBTOR 8 Hewitt Drive	CITY Grimsby	PROVINCE ON	POSTAL CODE L3M 0A4

TRADE NAME (IF APPLICABLE)

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

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 1st day of April ~~March~~ 2011

U&ME BEVERAGE COMPANY

WITNESS

[Signature]
Per: Daryl McDaniel, President

[Signature]
Per: Lee Miller, Secretary

WITNESS

We have authority to bind the Corporation

BRANCH ADDRESS

33 City Centre Drive Mississauga, Ontario, L5E 2N5
--

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

nil



SCHEDULE "B"**1. Locations of Debtor's Business Operations**

6 Hewitt Drive, Grimsby, Ontario L3M 0A4
450A Export Blvd., Mississauga, Ontario, L5S 1Y4

2. Locations of Records relating to Collateral (if different from 1. above)**3. Locations of Collateral (if different from 1. above)**

SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

E-FORM 924 (2003/04)



EXHIBIT "E"

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

RUN NUMBER : 228
RUN DATE : 2012/08/15
ID : 20120815141913.14

REPORT : PSSR060
PAGE : 1
(9592)

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

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : U&ME BEVERAGE COMPANY
FILE CURRENCY : 14AUG 2012

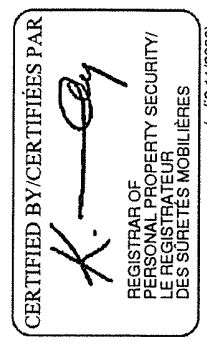
ENQUIRY NUMBER 20120815141913.14 CONTAINS 8 PAGE(S), 4 FAMILY (IES).

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

MINDEN GROSS LLP
K. KALLISH 4082652

This is Exhibit ^{"E"} referred to in the affidavit of DAVID FLEWELLING sworn before me, this 24th day of SEPTEMBER, 2012

A COMMISSIONER FOR TAKING AFFIDAVITS



100



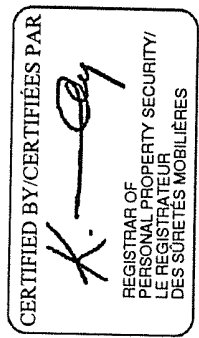
TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : U&M BEVERAGE COMPANY
 FILE CURRENCY : 14AUG 2012

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER : 680295681
 CAUTION FILING : 001
 TOTAL PAGES : 001
 MOTOR VEHICLE SCHEDULE : 20120730 1043 1862 4730
 REGISTRATION NUMBER : P PPSA
 REGISTERED UNDER PERIOD : 6
 01 DATE OF BIRTH :
 02 DEBTOR NAME : U&M BEVERAGE COMPANY
 03 BUSINESS NAME : U&M BEVERAGE COMPANY
 ADDRESS : 450A EXPORT BOULEVARD
 04 DATE OF BIRTH :
 05 DEBTOR NAME : U&M BEVERAGE COMPANY
 06 BUSINESS NAME : U&M BEVERAGE COMPANY
 ADDRESS : 1959 UPPER WATER STREET, SUITE 900
 07 SECURED PARTY / LIEN CLAIMANT : CHIEFTON INVESTMENTS LIMITED
 ADDRESS : 6205 AIRPORT ROAD, SUITE 500
 08 COLLATERAL CLASSIFICATION :
 09 CONSUMER GOODS : X
 INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED : X
 MOTOR VEHICLE AMOUNT :
 DATE OF MATURITY OR Maturity DATE :
 10 YEAR MAKE :
 11 MOTOR VEHICLE :
 12 MODEL : V.I.N.
 13 GENERAL COLLATERAL :
 14 REGISTERING AGENT : CHIEFTON INVESTMENTS LIMITED
 15 ADDRESS : 6205 AIRPORT ROAD, SUITE 500
 16 ONTARIO CORPORATION NO. : L5A 2A4
 17 ONTARIO CORPORATION NO. : NS B3J 3N2
 ON L4V 1E3
 ON L4V 1E3

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

CONTINUED 3



TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : U&M BEVERAGE COMPANY
 FILE CURRENCY : 14AUG 2012

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 668706561

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 001 001 20110331 1457 1862 5922 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 NAME BUSINESS NAME U&M BEVERAGE COMPANY
 04 ADDRESS 450A EXPORT BLVD. MISSISSAUGA ONT L5S1Y4 ONTARIO CORPORATION NO. L5S1Y4

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 06 NAME BUSINESS NAME REBMAC HOLDINGS LTD.
 07 ADDRESS 450A EXPORT BLVD. MISSISSAUGA ONTARIO CORPORATION NO. L5S1Y4

08 SECURED PARTY / LIEN CLAIMANT ADDRESS 180 WELLINGTON STREET WEST, 3RD FLOOR TORONTO ONT M5J1J1

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

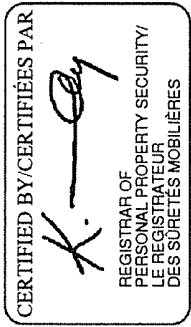
11 MOTOR YEAR MAKE MODEL V.I.N.
 12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION
 14 COLLATERAL ADDRESS #360-33 CITY CENTRE DRIVE MISSISSAUGA ONT L5B2N5

15 REGISTERING AGENT J. PAUL BANNON

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

CONTINUED... 4



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

REPORT : PSSR060
 PAGE : 4
 (9595)

RUN NUMBER : 228
 RUN DATE : 2012/08/15
 * ID : 20120815141913.14

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : U&M BEVERAGE COMPANY
 FILE CURRENCY : 14AUG 2012

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 668580669

01 CAUTION FILING NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION NUMBER UNDER PERIOD REGISTERED UNDER PERIOD
 001 1 20110328 1215 6005 4100 P PPSA 10

02 DEBTOR NAME
 U&M BEVERAGE COMPANY

03 BUSINESS NAME
 450A EXPORT BLVD

04 DATE OF BIRTH
 450A EXPORT BLVD

05 DEBTOR NAME
 ROYAL BANK OF CANADA

06 BUSINESS NAME
 180 WELLINGTON ST W, 5TH FLOOR

07 ADDRESS
 TORONTO ON M5J 1J1

08 SECURED PARTY / LIEN CLAIMANT
 ROYAL BANK OF CANADA

09 ADDRESS
 180 WELLINGTON ST W, 5TH FLOOR
 TORONTO ON M5J 1J1

10 COLLATERAL CLASSIFICATION
 CONSUMER MOTOR VEHICLE AMOUNT DATE OF MATURITY OR MATURITY DATE
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X X X
 X X X

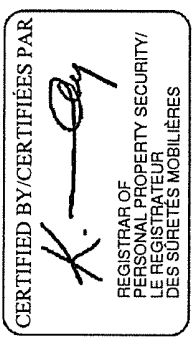
11 MOTOR YEAR MAKE MODEL V.I.N.
 12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION
 14 COLLATERAL DESCRIPTION
 15 DESCRIPTION

16 REGISTERING AGENT ADDRESS
 17 ADDRESS

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

CONTINUED . . . 5



TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : U&M BEVERAGE COMPANY
 FILE CURRENCY : 14 AUG 2012

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 667544859

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 01 001 20110207 1052 1529 6530 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 NAME BUSINESS NAME 3250800 NOVA SCOTIA COMPANY
 04 ADDRESS 450A EXPORT BLVD MISSISSAUGA ON L5S 1Y4
 ONTARIO CORPORATION NO.

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

08 SECURED PARTY / ROYAL BANK OF CANADA
 LIEN CLAIMANT 180 WELLINGTON ST W 3RD FLR TORONTO ON M5J 1J1

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

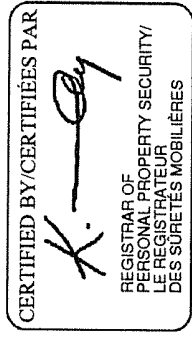
11 MOTOR YEAR MAKE MODEL V.I.N.
 12 VEHICLE

13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING CANADIAN SECURITIES REGISTRATION SYSTEMS
 AGENT 4126 NORLAND AVENUE BURNABY BC V5G 3S8

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

CONTINUED... 6



RUN NUMBER : 228
 RUN DATE : 2012/08/15
 ID : 20120815141913.14

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : U&ME BEVERAGE COMPANY
 FILE CURRENCY : 14AUG 2012

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION NUMBER REGISTERED UNDER
 01 001 20110228 1450 1530 2197
 RECORD FILE NUMBER 667544859
 PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT
 REFERENCED X A AMENDMENT YEARS PERIOD

REFERENCE FIRST GIVEN NAME INITIAL SURNAME
 DEBTOR/ TRANSFEROR BUSINESS NAME 3250800 NOVA SCOTIA COMPANY

OTHER CHANGE AMEND DEBTOR'S NAME
 REASON/ DESCRIPTION

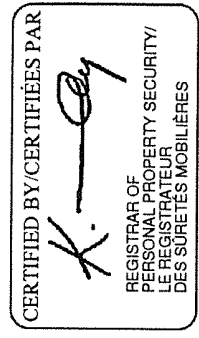
DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 DEBTOR/ TRANSFEROR BUSINESS NAME U ME BEVERAGE COMPANY
 ADDRESS 450A EXPORT BLVD
 MISSISSAUGA ON L5S 1Y4
 ONTARIO CORPORATION NO.

ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE ADDRESS

COLLATERAL CLASSIFICATION CONSUMER ADDRESS
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT Maturity OR MATURITY DATE
 YEAR MAKE MODEL V.I.N.

MOTOR VEHICLE THE LEGAL NAME OF THE CLIENT IS U (AND SIGNE)ME BEVERAGE COMPANY
 GENERAL COLLATERAL DESCRIPTION REGISTERING AGENT OR CANADIAN SECURITIES REGISTRATION SYSTEMS
 SECURED PARTY/ ADDRESS 4126 NORLAND AVENUE BURNABY BC V5G 3S8
 LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 7



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

REPORT : PSSR060
 PAGE : 7
 (9598)

RUN NUMBER : 228
 RUN DATE : 2012/08/15
 ID : 20120815141913.14

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : U&ME BEVERAGE COMPANY
 FILE CURRENCY : 14AUG 2012

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION : TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER
 01 001 20120813 1640 3033 1051 P PPSA
 RECORD FILE NUMBER 667544859 RENEWAL CORRECT
 REFERENCED PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED YEARS PERIOD
 A AMENDMENT INITIAL SURNAME

REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME FIRST GIVEN NAME U ME BEVERAGE COMPANY
 BUSINESS NAME U ME BEVERAGE COMPANY

OTHER CHANGE REASON/ DESCRIPTION TO AMEND DEBTOR'S NAME AND ADDRESS

DEBTOR/ TRANSFEREE DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 BUSINESS NAME U&ME BEVERAGE COMPANY
 ADDRESS 450A EXPORT BLVD MISSISSAUGA ON L5S 2A4

ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE ONTARIO CORPORATION NO.

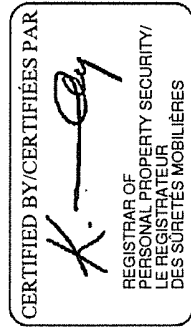
COLLATERAL CLASSIFICATION ADDRESS

CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURETY OR MATURITY DATE
 YEAR MAKE MODEL V.I.N.

MOTOR VEHICLE GENERAL COLLATERAL REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT
 MINDEN GROSS LLP (KLK) 145 KING STREET WEST, SUITE 2200 TORONTO ON M5H 4G2

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

CONTINUED . . . 8



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

REPORT : PSSR060
 PAGE : 8
 (9599)

RUN NUMBER : 228
 RUN DATE : 2012/08/15
 * ID : 20120815141913.14

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : U&M BEVERAGE COMPANY
 FILE CURRENCY : 14AUG 2012

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
680295681	20120730 1043 1862 4730		
668706561	20110331 1457 1862 5922		
668580669	20110328 1215 6005 4100		
667544859	20110207 1052 1529 6530	20110228 1450 1530 2197	20120813 1640 3033 1051

6 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

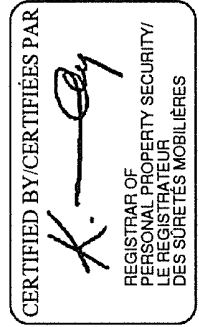


EXHIBIT “F”

This is Exhibit "F" referred to in the affidavit of DAVID FLEWELLING sworn before me, this 24th day of SEPTEMBER 2012



[Signature] A COMMISSIONER FOR TAKING AFFIDAVITS

August 9, 2012

To the Creditors of U&Me Beverage Company ("U&Me")

As you appear to be a creditor of U&Me, we are providing you with copies of:

- 1. Notice of Intention to Make a Proposal ("NOI"), filed on August 7, 2012.
2. The consent of the Trustee to act in this matter; and
3. A list of all creditors provided to the Trustee.

The NOI was filed pursuant to the Bankruptcy and Insolvency Act (Canada) (the "BIA"). Please note this is not a bankruptcy, but rather protection has been sought under the BIA pending the filing of a reorganizational proposal to creditors.

Pursuant to the BIA:

- All proceedings by creditors are stayed (stopped) as of August 7, 2012;
U&Me is required to file a cash flow statement with the Office of the Superintendent of Bankruptcy on or before August 17, 2012, a copy of which will only be sent to creditors on request (in writing);
U&Me is required to file a Proposal on or before September 6, 2012, subject to an extension from the Court; and
A meeting of creditors to consider the Proposal is to be held within 21 day of the filing of the Proposal, and notice of the meeting will be sent to all known creditors at least 10 days prior to the date of the meeting.

If you have any questions concerning the foregoing please contact us by email at u&me@mnt.ca

Yours truly,

MNP Ltd.
Trustee Acting in re: the Proposal of
U&Me Beverage Company



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

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

In the matter of the proposal of
 U&ME BEVERAGE COMPANY
 Having its Principal Place of Business in the City of Mississauga
 in the Province of Ontario

Take notice that:

1. We, U&ME BEVERAGE COMPANY, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that we intend to make a proposal to our creditors.
2. MNP LTD. of 701 - 85 Richmond Street West, Toronto, ON, M5H 2C9, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against us are stayed as of the date of filing of this notice with the official receiver in our locality.

Dated at the City of Toronto in the Province of Ontario, this 7th day of August 2012.



 U&ME BEVERAGE COMPANY
 Insolvent Person

To be completed by Official Receiver:

Filing Date _____

 Official Receiver

ONTARIO SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY


IN THE MATTER OF THE PROPOSAL OF
U&ME BEVERAGE COMPANY
HAVING ITS PRINCIPAL PLACE OF BUSINESS
IN THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

CONSENT TO ACT

MNP Ltd. hereby consents to act as trustee in the proposal of U&Me Beverage Company.

MNP LTD.

Per:



Sheldon Title

Dated:

August 7, 2012

- Creditor Mailing List -

In the matter of the proposal of
U&ME BEVERAGE COMPANY
 Having its Principal Place of Business in the City of Mississauga
 in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Secured	Royal Bank Lease		320 Front Street, 9th Floor Toronto ON M5V 3B6	2,284,900.28
Unsecured	1825219 Ontario Inc o/a BM & M Mechanical		34 Lothouse Dr Whitby ON L1R 1V7	4,546.40
	2287887 Ontario Inc		3434 Spirea Terrace Mississauga ON L7N 7N4	15,690.05
	3M Canada Company		PO Box 3616, Commerce Court Postal Station Toronto ON M5L 1K1	1,216.50
	864815 Ontario Limited		1520 Creditstone Road Concord ON L4K 5W2	847.50
	A-1 Shipping		40 Audia Court Concord ON L4K 3N4	7,255.43
	Abell Pest Control		3075 Ridge Drive, Unit 27 Mississauga ON L5L 5M6	1,429.73
	Accordia Global Compliance		PO Box 864830 Orlando FL 32886 USA	950.00
	Acklands Granger		7111 Kennedy Road, Unit 1 Mississauga ON L5S 0A4	839.59
	Advance Precision Manufacturing		70 Monarch Road, Unit 1 Guelph ON N1K 1S3	1,670.71
	AGT Electric		10 Sunrise Avenue, Suite 210 Toronto ON M4A 2R1	1,186.50
	Air Liquide Canada Incorporated-Ontario	Zelia Deazevedo	1700 Steeles Ave E Brampton ON L6T 1A6 Fax: (902) 468-5783 zelia.deazevedo@airliquide.com	361.49
	Allied Tooling Technologies Inc		1199 Cardiff Boulevard, Unit 2 Mississauga ON L5S 1P8	34,284.20
	AMH Services		222 Fleming Drive Milton ON L9T 5X9	4,915.50
	Aztec Electrical Supply Inc		25 North Rivermede Road, # 8-10 Concord ON L4K 5V4	4,630.76
	Band Collective		39 Lakeshore East, Suite 300 Mississauga ON L5G 1C9	7,910.00
	Basio Security		1200 Speers Road, Unit 12 OAKVILLE ON L6L 2X4	462.17
	BDO Canada LLP		3115 Harvester Road, Suite 400 Burlington ON L7N 3N8	79,524.88
	Bell Canada F-88 - Business	Insolvency Department	1 Carr. Alexandre-Graham-Bell, Allie E3 Verdun QC H3E 3B3 Fax: (877) 673-3566 insolv@bell.ca	448.57
	Bell Conferencing Inc		5099 Creekbank Road, B4 Mississauga ON L4W 5N2	99.04
	Bitwise Micro Inc.		5534 Guelph Line Guelph ON L7P 0A7	2,440.80
	Bonnie & Don Flavours inc		919 Kemato Road Mississauga ON L4W 2R5	30,676.85
	Brampton Bramalea Kwik Lab		160 Wilkison Road, Unit 37 Brampton ON L6T 4Z4	106.50

- Creditor Mailing List -

In the matter of the proposal of
U&ME BEVERAGE COMPANY
 Having its Principal Place of Business in the City of Mississauga
 in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Canadian Bearings		1600 Drew Road Mississauga ON L5S 1S5	2,939.55
	Canadian Liquid Processors Limited		15 Biggar Avenue Hamilton ON L8L 3Z3	5,159.36
	Canadian Springs		PO Box 4514, Station A Toronto ON M5W 4L7	2,293.02
	Canadian Waste Management Inc		5425 Dixie Road, Suite 16 Mississauga ON L4W 1E6	15,680.20
	Carol Kerley-Rimmer		2005 Cavendish Drive Burlington ON L7P 1Y9	61.53
	CCM Inc		1371 Selkirk Avenue OAKVILLE ON L6L 2V5	70,881.01
	Checkpoint Canada Inc		710 Cochrane Drive Markham ON L3R 5N7	713.53
	CHEP Canada Inc		7400 East Danbo Crescent Mississauga ON L5N 8C6	1,014.98
	Cheque Direct Co		2 Tall Grass Trail, Unit 2 Vaughan ON L4L 3Y9	190.41
	Chloftan Investments Limited		500 - 6205 Airport Road Mississauga ON L4V 1E3	2,609,591.00
	Cintas		23 Torlake Crescent Toronto ON M8Z 1B5	12,593.15
	Cintas Document Management		7040 Davand Dr Mississauga ON L5T 1J5	92.54
	Coca-Cola Sabco		Av. OUA nr. 270 PO Box 1441 Maputo, Mozambique	5,000.00
	Compressed Air International		60 Haist Ave, Unit 1 WOODBIDGE ON L4L 3V4	2,041.46
	costore life		478 Dundas Street West, PO Box 300700 OAKVILLE ON L6H 7L8	34,000.00
	costore life		478 Dundas Street West, PO Box 300700 OAKVILLE ON L6H 7L8	7,684.00
	D.J. Industrial Sales		25 North Rivermede Rd., Unit 1-3 Concord ON L4K 3V4	4,493.32
	Dan Lawrie Insurance		105 Main St. E., 14 Floor Hamilton ON L8N 1G6	8,616.24
	Daniel J Calahan		USA	50,416.09
	Darlene Davis		1900 North Sheridan Way Mississauga ON L5K 2R3	10.00
	DTK Automation		19850 Yonge St Holland Landing ON L9N 1A9	19,795.34
	Ecolab Co.		5105 Tomken Rd Mississauga ON L4W 2X5	4,797.69
	Electrical Safety Authority		155 Matheson Blvd. W., Ste 202 Mississauga ON L5R 3L5	348.37
	Electropak		61 Bodenstein Street Krugersdorp North Gauteng, South Africa	10,410.00
	Endress & Hauser Canada		1075 Sutton Dr Burlington ON L7L 5Z8	1,707.43

- Creditor Mailing List -

In the matter of the proposal of
U&ME BEVERAGE COMPANY
 Having its Principal Place of Business in the City of Mississauga
 in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Energsource Corporation - Non-Regulated	Arlene Tan, Credit and Collections	3240 Mavis Road Mississauga ON L5C 3K1 Fax: (905) 566-2737 atan@energsource.com	18,276.80
	Fanuc Robotics Canada		6774 Financial Dr. Mississauga ON L5N 7J6	829.19
	Federal Express Canada Ltd. - Revenue Recovery Department		5985 Explorer Drive Mississauga ON L4W 5K6 Fax: (905) 212-5672 infassone@fedex.com	862.66
	Feld Motor Sports		4255 Meridian Parkway Aurora IL 60504 USA	75,000.00
	Fisher Scientific		PO Box 9200, Terminal Ottawa ON K1G 4A9	291.44
	FJO Group Inc		123 Rexdale Blvd., PO Box 30137 Etobicoke ON M9W 0B1	5,387.84
	Garry Machine MFG Inc.		165 Statesman Dr Mississauga ON L5S 1X4	339.00
	Golda Scientific		6320 Northwest Dr Mississauga ON L4V 1J7	4,087.79
	Gerrle Electric		4104 South Service Rd Burlington ON L7L 4X5	3,246.76
	Graham Muir Sales		1344 Fewster Dr Mississauga ON L4W 1A4	2,444.31
	Guelph Food Technology Centre		88 McGillivray St Guelph ON N1G 2W1	1,271.25
	Hamilton Boiler Works		105 Cascade St Hamilton ON L8E 3B7	16,272.00
	HRDownloads Inc		195 Dufferin Ave, Ste 500 London ON N6A 1K7	1,515.33
	Hudson's Bay Company c/o DRN	Insolvency Department	PO Box 2514, Station B London ON N6A 4G9 Fax: (647) 439-1419 gebest@dmcommerce.com	2,061.46
	Imball Srl		VIA CA De' Tessi 16/3 Bologna Italy	2,184.24
	Infinity Asset Solutions		63 Maplecrete Rd Concord ON L4K 1A5	5,650.00
	International Suntrade Inc.		33 Connel Crt Toronto ON M8Z 1E8	5,440.14
	Jantz Canada		623 South Service Rd Grimsby ON L3M 4E8	103,591.52
	Jeanette Cristoforo		28519 Milo Rd Sterling MI 48659 USA	9.00
	Johnston Equipment Co Ltd		5990 Avebury Rd Mississauga ON L5R 2R2	4,402.31
	Jowat Canada Ltd		PO Box 149 Mississauga ON L5M 2B7	4,054.44
	Karry Bros. Limited		180 Courtney Park Dr B Mississauga ON L5T 2S5	1,909.70
	Kelron Logistics Systems Inc.		1355 Meyerside Drive Mississauga ON L5T 1C9	45,071.19

DMC

- Creditor Mailing List -

In the matter of the proposal of
U&ME BEVERAGE COMPANY
 Having its Principal Place of Business in the City of Mississauga
 in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Kevin Pelton		Unknown Unknown ON	361,470.00
	Key West Marketing		3622 Briggeman Drive Los Almitos CA 90720 USA	95,608.93
	Kissner		32 Cherry Blossom Rd. Cambridge ON N3H 4R7	14,302.36
	Klenzoid		245 Matheson Blvd E #1 Mississauga ON L4Z 3C9	3,992.33
	Lauren Miller		142N Glassef Street Orange CA 92866 USA	7,365.66
	Lauren Miller		142 N Glassef St Orange CA 92866 USA	100,000.00
	Lee Miller Investments Interest		1 Avalon Vista Newport CA 92657 USA	330,041.00
	Lee Miller Shareholder Loans		1 Avalon Vista Newport CA 92657 USA	8,911,033.93
	LPMTS Logistics Inc.		498 Eagle Street, Suite 202 Cambridge ON N3H 1C2	20,858.50
	Mantralogix Inc.		245 Matheson Blvd E, Suite 5A Mississauga ON L4Z 3C9	7,191.32
	Mattel Inc		333 Continental Blvd El Segundo CA 90245 USA Fax: (310) 252-3861	800,000.00
	McMauer Carr		PO Box 7690 Chicago IL 60687-690 USA	2,126.58
	Miller & Smith Foods		886 Sinclair Rd. OAKVILLE ON L6K 2H3	8,286.78
	Ministry of Finance		Ministry of Revenue - Insolvency Unit 33 King Street West, 6th Floor Oshawa ON L1H 8H5 Fax: (905) 436-4524 insolvency.unit@ontario.ca	7,497.19
	Mister Safety Shoes Inc.		2300 Finch Avenue West, Suite 6 Toronto ON M9M 2Y3	4,406.76
	Morbeat Inc.		11-63 Galaxy Blvd. Toronto ON M9W 1P7	4,880.47
	Nealanders International Inc.		6980 Creditview Rd. Mississauga ON L5N 8E2	102,998.35
	Nielson		PO Box 4598 Postal Station A Toronto ON M5W 4Y3	9,296.51
	Norampac Lithotech Division		635 Creditstone Road Vaughan ON L4K 5P9	6,159.66
	Orchard County Beverages		PO BOX HB 459 NASSAU FL USA	2,800.00
	Orlando Corporation		6205-B Airport Rd., 5th Floor Mississauga ON L4V 1E3	10,542.51
	Packall Packaging		2 Sbaftubury Lane Brampton ON L6T 3X7	2,786.58
	Pak Tek Packaging Inc.		1-2299 Drew Road Mississauga ON L5S 1A3	1,300.29
	Pelton, Kevin			21,031.46

- Creditor Mailing List -

In the matter of the proposal of
U&ME BEVERAGE COMPANY
 Having its Principal Place of Business in the City of Mississauga
 in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Poweron Control Systems Ltd.		23-8888 Keele Street Concord ON L4K 2N2	1,569.29
	Praxair Canada Inc.	Credit Department	1200 - 1 City Centre Drive Mississauga ON L5B 1M2 Fax: (905) 803-1698	219.20
	Pricewaterhouse Cooper		111 5th Ave, S.W., Suite 3100 Calgary ON T2P 5L3	871.49
	Prolamina Bright Solutions		1055 Winchester Drive, PO Box 568 Neenah WI 54956 USA	164,779.31
	RBC Royal Bank Visa c/o BankruptcyHighway.com		PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net	22,512.41
	RBC Royal Bank Visa c/o BankruptcyHighway.com		PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net	3,152.82
	RBC Royal Bank Visa c/o BankruptcyHighway.com		PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net	2,283.35
	Redemac Inc.		2777 Thamesgate Drive Mississauga ON L4T 1G5	881.40
	Redirack		1303 North Service Road East, Unit 3 OAKVILLE ON L6H 1A7	339.00
	Renown Electric motors & Repair		99 Ortona court Concord ON L4K 3M3	6,120.08
	Ricoh Canada Inc.		300 - 5520 Explorer Drive Mississauga ON L4W 5L1 Fax: (905) 795-6926	6,960.01
	Robert C Wolf Defined Benefit Plan		Unknwon Unknown ON	152,863.42
	Roctennan Container Corporation		PO box 4232, Station A Toronto ON M5W 5P4	358,851.35
	Rogers Communications c/o DRN Commerce Inc.		PO Box 2514, Station B London ON N6A 4G9 Fax: (647) 439-1419 rogersbest@dmcommerce.com	853.81
	RTW Enterprises		1 Avalon Vista Newport CA 92657 USA	2,373,467.78
	Scully Scott Murphy & Presser		300-400 Garden City Plaza Garden City NY 11530-0299 USA	36,404.37
	SDI Solutions		10310 Ray Lawson Blvd Anjou QC H1J 1M1	1,867.08
	Shahbaz Employment Agency		2-2575 Steeles Avenue East Brampton ON L6T 5T1	1,050.34
	Sharpe & Associates		54 Bolshelm Court Mississauga ON L5N 1K1	21,809.00
	Sherman Brown, Barristers & Solicitors		900-5075 Yonge Street Toronto ON M2N 6C6	14,997.93
	Shrink Packaging Systems Corp		85 Northeastern Blvd NASHUA NH 03062 USA	3,520.28

- Creditor Mailing List -

In the matter of the proposal of
U&ME BEVERAGE COMPANY
 Having its Principal Place of Business in the City of Mississauga
 in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Silliker Inc.		90 Gough Markham ON L3R 5V3	1,847.56
	Silverstar Supplies Inc.		215 Carlingview Dr Unit 210 Etobicoke ON M9W 5X8	3,549.40
	Singer Traynor & Company		515-6055 E Washington Blvd Los Angeles CA 90040 USA	42,795.40
	Sonoco Products Company		1691 Matheson Blvd Mississauga ON L4W 1S1	426,651.81
	Speedy Transport		265 Rutherford Rd S Brampton ON L6W 1V9	410.81
	Summit Sales		6440 Flying Cloud Dr, Suite 145 Eden Prairie MN 55344 USA	85,414.00
	Suntrade		33 Connell Court Toronto ON M8Z 1E8	45,651.39
	Tefl-Line Ltd		4415 North Service Rd Burlington ON L7L 4X7	166.40
	Toglaco Electric Inc.		2369 Springfield Cres OAKVILLE ON L6J 7P7	768.40
	Toronto Pallet & Skid		7384 Tranmere Dr Mississauga ON L5S 1K4	2,542.50
	Tower Hose & Hydraulics		17 McEwan Dr West Bolton ON L7E 1H5	4,864.33
	TST Overland Express		PO Box 3000, Station A Mississauga ON L5A 3S3	204.22
	Uline Shipping Supply		PO Box 3500 SIREETSVILLE ON L5A 3S3	6,586.33
	UPS Canada c/o Credit Department	Receivables Department	77 Poultry Street Moncton NB B1C 5H7 Fax: (506) 877-6569	1,271.06
	Webveconvert Ltd		11-21 Godrich Rd Toronto ON M8Z 6A3	5,311.00
	Wecon Systems		11-4635 Burgoyne Street Mississauga ON L4W 1V9	4,951.66
	Wild Flavours Inc.		PO Box 631765 CINCINNATI OH 45263-176 USA	15,704.90
	World International Patents & Trademarks		PO Box 52, 814 99 Bratislava 1 Slovak R Slovak Republic	2,738.00
	Worldwide Database of Trademarks & Patents		Rochacova 188/37 I	2,256.00
	WSIB	Collections Branch	120 King St. W., PO Box 2099, Stn. LCD1 Hamilton ON L8N 4C5 Fax: (905) 521-4203	66,430.81
				\$ 20,382,788.95

EXHIBIT “G”

This is Exhibit.....^{'G'}.....referred to in the
affidavit of.....**DAVID FLEWELLING**.....
sworn before me, this.....^{24th}.....
day of.....**SEPTEMBER**.....20.....**12**.....

118

Court File No. 32-1652926

.....
A COMMISSIONER FOR TAKING AFFIDAVITS

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF PROPOSAL OF
U&ME BEVERAGE COMPANY
HAVING ITS PRINCIPAL PLACE OF BUSINESS
IN THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

AFFIDAVIT OF DARRYL MCDANIEL

I, Darryl McDaniel, of the Town of Grimsby, Province of Ontario, MAKE OATH AND
SAY AS FOLLOWS:

1. I am the CEO and President of U&ME Beverage Company (“U&ME”) and, as such, have knowledge of the matters to which I hereinafter depose. Where I have been advised of facts by third parties I have identified the source of the facts and I hereby state that I verily believe such facts to be true.
2. I have reviewed the First Report of the Proposal Trustee before swearing this Affidavit and agree with the contents of the Report.

Background

3. U&ME is a Nova Scotia Corporation registered to carry on business in the Province of Ontario. Attached to this my Affidavit as **Exhibit “A”** is a true copy of the Corporation Profile Report for U&ME.

4. U&ME operates out of offices in Mississauga. U&ME is in the business of filling and distributing pouch pack containers for juice and water. U&ME has patents pending for a unique pouch design which is a major innovation in the pouch pack segment. The value of this segment in North America is estimated by the company as \$1 billion annually.

5. U&ME strongly believes in the value of the patents and this is supported by the fact that it has orders on hand or is in negotiations with prominent retailers such as Walmart, Kroger, Target and Aldi.

6. U&ME's major competitor is Kraft Canada Inc. ("Kraft"). U&ME believes it can produce competing products under private labels at a price point lower than that of Kraft. The success of this strategy is demonstrated by orders on hand from, or negotiations with, retailers such as Wal-Mart, Kroger, Target and Aldi.

Cause of the insolvency

7. U&ME filed a Notice of Intention to make a Proposal on August 7, 2012. Attached to this my Affidavit and marked as **Exhibit "B"** is a true copy of the Certificate of the filing of the Notice of Intention to make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**").

8. Production inefficiencies resulted in higher than anticipated per unit costs preventing U&ME from achieving positive cash flow from its filling and packing operations. Shortfalls and any required capital expenditures were met by the principal shareholder and a lease with the Royal Bank of Canada.

9. The main bottleneck has been packing the finished product in that hand packers were unable to keep up with the filling operation. Based on engineering advice and the experience of producers in other segments of the pouch pack market, U&ME believes that introducing automatic filling machines to replace the current hand pack process will enable it to meet market demand at a price sufficient to service its obligations and to provide a return to its shareholders.

10. The inefficiencies and lower than anticipated per unit costs have caused U&ME financial hardship and have cause U&ME to fail to meet its financial obligations.

11. U&ME is currently seeking a third party as a co-investor in order to introduce the automatic filling machines which will create the efficiencies needed for U&ME's operations to be profitable.

Major creditors

12. Attached to this my Affidavit and marked as **Exhibit "C"** is a true copy of a PPSA report for U&ME.

13. The major creditors of U&ME are:

- (a) The Royal Bank of Canada which is owed approximately \$2.3 million secured by assets appraised at \$3.4 million and a term deposit of \$700,000. The Royal Bank of Canada has a first ranking security interest in all of the assets of U&ME;
- (b) The landlord of U&ME, Chieftan Investments Limited, which is owed approximately 2.4 million. Chieftan Investments Limited has a second ranking security interest as registered under the PPSA;

-4-

- (c) RTW Enterprises, a related party, which is owed approximately \$2.4 million; and
- (d) One of the shareholders of U&ME, Lee Miller, who is owed approximately \$9 million.

14. I verily believe that no creditors will be materially prejudiced by the extension being sought by U&ME for the filing of a proposal.

Scientific Research and Experimental Development Claim

15. U&ME retained R&D One Inc. (“R&D”) to prepare Scientific Research and Experimental Development (“SR&ED”) claims on behalf of U&ME. On or about August 22, 2012, the lawyer for R&D wrote to U&ME and U&ME’s proposal trustee demanding that U&ME not file the SR&ED claim without first paying all amounts owed to R&D.

16. The value of the SR&ED claims is approximately \$200,000. U&ME is currently seeking to protect the fees of R&D in the approximate amount of \$40,000 so as to allow U&ME to file the SR&ED Claim and to obtain the \$200,000 for the benefit of its creditors.

Steps taken since filing the NOI

17. As set out above, U&ME requires a significant investment in order to introduce automatic filling machines to replace the current hand pack process.

18. As part of its effort to locate and negotiate with new investors and to restructure, SR&ED retained the services of Geoffrey Godard (“Godard”) of DGHG Associates Inc. Mr. Godard has extensive experience in assisting businesses in restructuring and * capital.

-5-

19. The management of U&ME and Godard have focused on finding a new investor in order to use the funds to introduce the automatic filling machines or a purchaser for the assets of U&ME. Godard has spoken to various parties interested in either purchasing the assets or investing in the current business, but have not finalized any transaction yet. I am advised by Godard, and do verily believe, that he is still in discussions with 4 or 5 interested parties as investors or business partners.

20. In an effort to reduce the cash drain, U&ME suspended most of its manufacturing operations in July and has focused in obtaining a new investor.

21. U&ME is trying to restructure and continue its business operations as soon as possible so as to try and ensure that its customer base survives the restructuring. U&ME recognizes that the Proposal process has been completed as fast as possible and that is why the company is only seeking an extension of 15 days.

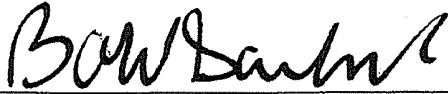
22. Since the filing of the Notice of Intention to make a Proposal U&ME has been keeping all of its payables current and has not defaulted on any post-filing obligations. U&ME will pay its September rent on time.

23. I verily believe that U&ME has acted with good faith and due diligence in pursuing the restructuring under the Notice of Intention to make a Proposal.

24. I also verily believe that U&ME have a much greater chance of making a viable proposal to the creditors if the additional time of a couple of weeks is provided to prepare, finalize and file a proposal.

25. It is my belief that a viable proposal will benefit all stakeholders in that a bankruptcy on the part of U&ME would leave next to nothing for any of the unsecured creditors of U&ME.

SWORN BEFORE ME at the City of
Mississauga, in the Regional Municipality of
Peel on August 30, 2012



Commissioner for Taking Affidavits
(or as may be)
Bobby H. Sachdeva



DARRYL McDANIEL

District of ONTARIO
Division No: 9 - Mississauga
Court No.: 32-1652926
Estate No.: 32-1652926

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE PROPOSAL OF
U&ME BEVERAGE COMPANY
HAVING ITS PRINCIPAL PLACE OF BUSINESS IN THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO

FIRST REPORT TO THE COURT
SUBMITTED BY MNP LTD.
IN ITS CAPACITY AS TRUSTEE UNDER
THE NOTICE OF INTENTION

INTRODUCTION

1. On August 7, 2012, U&Me Beverage Company (“U&Me” or the “Company”) filed a Notice of Intention to Make a Proposal (the “NOI”) pursuant to the provisions of the *Bankruptcy and Insolvency Act* (the “BIA”) and MNP Ltd. consented to act as trustee (the “Trustee”) under the NOI. The NOI was filed with the Official Receiver on August 7, 2012, and the Official Receiver acknowledged receipt of the NOI on August 7, 2012.
2. The purpose of this, the Trustee’s First Report, is to:
 - i. provide the Court with a summary of the Trustee’s activities to date;
 - ii. inform the Court of the Company’s receipts and disbursements for the period from August 7, 2012 to August 24, 2012 compared to the Company’s forecast; and
 - iii. provide the Court with the Trustee’s recommendation with respect to the Company’s request for an extension of time for filing a proposal.

3. The information contained in this report has been obtained from the books and records, forecasts, and other information made available by the Company, and is based upon discussions with, and representations made by U&Me's management. The accuracy and completeness of the financial information contained herein have not been audited or otherwise verified by the Trustee, and the Trustee does not express an opinion or provide any other form of assurance on the information presented herein. Certain of the information referred to in this Report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with the standards set by the Canadian Institute of Chartered Accountants, has not been performed. Future oriented financial information referred to in the report was prepared based on estimates and assumptions provided by Management. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations may be material.

BACKGROUND

4. U&ME was incorporated on December 21, 2010 pursuant to the laws of the Province of Nova Scotia.
5. The Company commenced business activities in February, 2011. U&Me fills and distributes pouch pack containers for beverage products from its processing plant in Mississauga, Ontario.
6. U&Me attributes its financial difficulties to production inefficiencies in the "hand pack" process it used for shipping its products. These inefficiencies in U&Me's manufacturing process have prevented U&Me from achieving positive cash flow from its filling and packing operation. U&Me believes that it must further automate its production process in order for the business to be viable, and has undertaken a search to find a third party investor to fund the sizable investment related to this automation process.
7. During this search for an investor, U&Me has: (i) filed the NOI to stabilize its operation; and (ii) ceased operations in order to conserve cash. U&Me anticipates funding for its current fixed obligations, such as rent, lease payments, and payroll costs, are to be sourced from the collection of accounts receivable, sale of remaining finished inventory and HST refunds.

TRUSTEE'S ACTIVITIES

8. To date, U&Me has provided the Trustee with its full co-operation and unrestricted access to its premises, books and records.
9. In accordance with the provisions of the BIA, the Company filed with the Official Receiver a projected cash flow statement dated August 15, 2012, which was reviewed by the Trustee for reasonableness and signed by the Trustee and the Company (the "**Cash Flow Projection**"). A copy of the Cash Flow Projection is attached hereto as **Exhibit "A"**.
10. The Trustee has implemented procedures for monitoring the Company's receipts and disbursements and has kept in close contact with U&Me's management in order to ensure that operations are continuing in the normal course of business and in accordance with the Cash Flow Projection.

CASH FLOW

11. For the period from August 7, 2012 to August 24, 2012, U&Me's cash receipts and disbursements were \$93,869 and \$135,265, respectively. The Company forecast receipts and disbursements of \$105,745 and \$139,493 in the Cash Flow Projection, resulting in a negative net cash flow variance of \$9,668. On August 7, 2012, the date of filing of the NOI, U&Me had an opening cash position of \$116,057. On August 24, 2012, the cash position has decreased to approximately \$70,545.
12. The Company advises that Trustee that the negative variance in the Company's cash flow is a result of lower than anticipated collections of accounts receivable; this variance is a permanent difference as U&Me's customer exercised set-off for claims for returned items and for losses arising from U&Me's cessation of business.
13. U&Me is requesting from the Court an extension of the time, until September 21, 2012, within which it may file a Proposal (the "**Extension Period**"). On the basis of the Cash Flow Projection, U&Me anticipated having sufficient funds to discharge its post-NOI obligations.
14. As noted previously, U&Me's accounts receivable collections were slightly lower than projected. It also anticipated receiving a HST refund of \$27,451 during the period ending August 31, 2012. U&Me advises the Trustee that Canada Revenue Agency is holding this refund as a result of U&Me's

failure to file certain corporate tax returns. U&Me is endeavouring to file its corporate tax returns to promote the release of this refund.

15. Notwithstanding the foregoing, U&Me advises the Trustee that its realizations from the sale of its remaining finished goods inventory will be lower than originally projected, but collected earlier than originally anticipated. This early sale of the finished goods inventory is anticipated to generate sufficient proceeds to enable U&Me to discharge the post-NOI obligations incurred during the Extension Period.

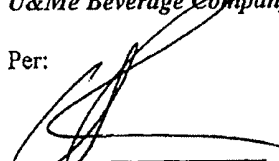
THE COMPANY'S REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

16. The Company is seeking an extension of time for filing a proposal prior to the expiration of the thirty-day period since filing the NOI.
17. The Company is of the view that if given additional time it may be able to finalize discussions with potential investors or buyers that may allow U&Me to maximize value for all of its stakeholders.
18. The Trustee believes the unsecured creditors would not be materially prejudiced by an extension of time for the Company to file its proposal. The Trustee further believes that:
- i. the Company is acting in good faith and with due diligence; and
 - ii. if a transaction/investment can be completed, U&Me may be able to make a proposal to creditors that will result in creditors recovering more than in a liquidation.
19. The Trustee recommends that the Company's request for an extension to file a proposal be granted.

All of which is respectfully submitted on this 29th day of August 2012.

MNP Ltd.
In its capacity as Trustee under
The Notice of Intention to Make a Proposal of
U&Me Beverage Company

Per:



Alan Shiner CA-CIRP

Court File No. 32-1652926

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

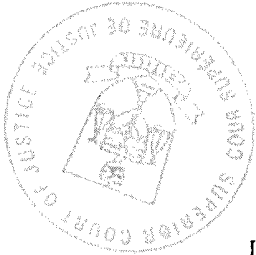
REGISTRAR

Jean

)
)
)

TUESDAY, THE 4th DAY

OF SEPTEMBER, 2012



IN THE MATTER OF PROPOSAL OF
U&ME BEVERAGE COMPANY
HAVING ITS PRINCIPAL PLACE OF BUSINESS
IN THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION made by U&ME Beverage Company for an Order granting an extension of time for the filing of a Proposal was heard this day at 330 University Avenue, Toronto, Ontario.

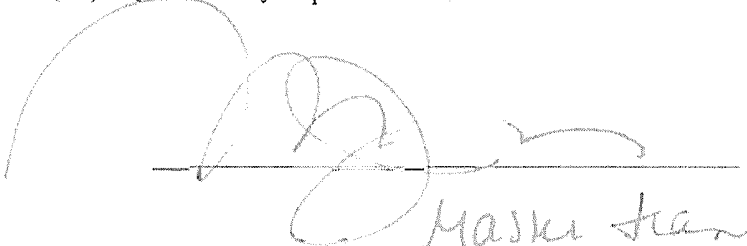
ON READING the motion record of U&ME Beverage Company, including the Darryl McDaniel Affidavit sworn August 30, 2012, and the First Report of MNP Ltd. dated August 29, 2012, and on hearing the submission of counsel for U&ME Beverage Company and the Proposed Trustee, no other parties attending though properly served as evidenced by the Affidavit of Service of Shallon Garrafa sworn August 30, 2012.

Bank appearing and not opposed. ✓ counsel for the Royal Bank ✓

1. THIS COURT ORDERS that the time for service of the Notice of Motion and Motion Record is hereby abridged and further service of the Notice of Motion and Motion Record is hereby dispensed with such that this motion is properly returnable today.

-2-

2. THIS COURT ORDERS that the time for the filing of the Proposal of U&ME Beverage Company is hereby extended by fifteen (15) days to Friday September 21, 2012.



Masumi Han

IN THE MATTER OF PROPOSAL OF U&ME BEVERAGE COMPANY
HAVING ITS PRINCIPAL PLACE OF BUSINESS
IN THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

Court File No. 32-1652926

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

PROCEEDING COMMENCED AT
TORONTO

ORDER

PALLET VALO LLP

Lawyers & Trade-Mark Agents
90 Burnhamthorpe Road West
Suite 1600
Mississauga ON L5B 3C3

Bobby H. Sachdeva (LSUC # 34454C)
Wojtek Jaskiewicz (LSUC # 49809L)

Tel: (905) 273-3300

Fax: (905) 273-6920

Lawyers for U&ME Beverage Company

TAB 3

Court File No. 32-1652926

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE PROPOSAL OF
U&ME BEVERAGE COMPANY
HAVING ITS PRINCIPAL PLACE OF BUSINESS
IN THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

CONSENT

MNP Ltd. hereby agrees to act as Receiver in the above-noted matter.

DATED at TORONTO, Ontario this 24th day of September, 2012

MNP Ltd.

PER: *[Signature]*
Name: *SHOW TITLE*
Title: *SENIOR VICE PRESIDENT*

IN THE MATTER OF THE PROPOSAL OF
U&ME BEVERAGE COMPANY
HAVING ITS PRINCIPAL PLACE OF BUSINESS
IN THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

Court File No. 32-1652926

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

MOTION RECORD
(hearing scheduled September 27, 2012)

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Catherine Francis (LSUC# 26900N)
cfrancis@mindengross.com

Tel: 416-369-4137

Fax: 416-864-9223

Lawyers for Royal Bank of Canada