

Affidavit #1 of Ronnell Francisco  
Sworn on September \_\_\_\_, 2023

No. VLC-S-S-234019  
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

**BUSINESS DEVELOPMENT BANK OF CANADA**

PLAINTIFF

AND:

**BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.  
FRASER MILLS FERMENTATION COMPANY LTD.  
IAN DONALD MACKERRICHER  
MICHAEL EDWARD DRUCE  
DANIEL JOSEPH PARENT  
STEPHEN PAUL SHELDON  
WARREN TODD BOYER**

DEFENDANTS

**AFFIDAVIT**

I, Ronnell Francisco, of Saskatoon, Saskatchewan, MAKE OATH AND SAY THAT:

1. I am a Senior Account Manager, Special Accounts, with the Plaintiff having conduct of this matter. As such, I have personal knowledge of the matters and facts herein deposed to except where stated to be on information and belief and where so stated do verily believe the same to be true. I am duly authorized to make this Affidavit on behalf of the Plaintiff.
2. The Defendant, Beyond the Grape On Premises Winemaking Ltd. (the “**Company**”), operates a brewery business and tasting room from leased premises at 3044 St. Johns Street, Port Moody, British Columbia. This is the location of the Defendant’s primary place of business, which I understand employs approximately 14 people.
3. The Company is indebted to the Plaintiff pursuant to a Letter of Offer dated May 7, 2019 (the “**Letter of Offer**”).
4. The Defendant Fraser Mills Fermentation Company Ltd. (“**Fraser Mills**”) is indebted to the Plaintiff pursuant to a Guarantee dated June 26, 2019 (the “**Guarantee**”).

5. The Plaintiff holds security from each of the Company and Fraser Mills by way of General Security Agreements (each a “GSA”) in respect of all of their present and after-acquired personal property.

6. Financing statements were registered in the BC Personal Property Registries (“PPR”) on behalf of the Plaintiff in connection with each GSA.

7. A priority agreement was entered into between the Plaintiff and Royal Bank of Canada dated August 28, 2019 (the “Priority Agreement”) pursuant to which priority was granted to the Plaintiff in respect of certain assets of the Company.

8. The following documents are attached hereto and marked as the following exhibits:

a) **Exhibit “A”** is a copy of the BC Registry company searches for the Company and Fraser Mills;

b) **Exhibit “B”** is a copy of the Letter of Offer;

c) **Exhibit “C”** is a copy of the Guarantee;

d) **Exhibit “D”** is a copy of the GSA from the Company;

e) **Exhibit “E”** is a copy of the GSA from Fraser Mills;

f) **Exhibit “F”** is copy of a PPR search for the Company;

g) **Exhibit “G”** is a copy of a PPR search for Fraser Mills; and

h) **Exhibit “H”** is a copy of the Priority Agreement.

9. The Company defaulted and continues to be in default under the Letter of Offer. No payments have been made to the Plaintiff since 2022.

10. On or about December 7, 2022, demand for payment and statutory notices were issued by the Plaintiff’s counsel to the Company and to the Defendants who guaranteed payment of the Company’s indebtedness to the Plaintiff. Attached hereto and marked together as **Exhibit “I”** are the demand letters and statutory notices issued to the Company and Fraser Mills on December 7, 2022.

11. I have reviewed the Notice of Civil Claim in this action which was filed with the court registry on June 1, 2023. To my own personal knowledge, the Statement of Facts contained in Part 1 of the Notice of Civil Claim is true and correct.

12. I know of no fact or facts which would constitute a defence to the Plaintiff’s claim, except as to amount.

13. No payment or payments have been received since the Notice of Civil Claim herein was filed, such that the full amount claimed remains outstanding plus interest and costs.



14. The Plaintiff's current prime rate of interest is 9.05% per annum.
15. Taking into account interest to the anticipated date of the hearing on September 18, 2023, the balance outstanding under the Offer Letter and the Guarantee will be \$752,374.71 which includes legal costs incurred in connection with this matter up to July 31, 2023. Interest accrues on the indebtedness at the Plaintiff's Floating Base Rate plus a variance of 2.0% p.a. Attached hereto and marked as **Exhibit "J"** a statement prepared by the Plaintiff showing the balance outstanding as of September 18, 2023.
16. Attached hereto and marked together as **Exhibit "K"** are emails exchanged between counsel at Reedman Law and Plaintiff counsel's office confirming acceptance of service of the Notice of Civil Claim for the Company and Fraser Mills.
17. I am advised by counsel for the Plaintiff that no Response to Civil Claim has been served on them by the Company or Fraser Mills. Attached hereto and marked as **Exhibit "L"** is a copy of a Requisition filed in this action confirming no Responses to Civil Claim had been filed by the Company or Fraser Mills as of August 18, 2023.
18. The assets of the Company consist primarily of brewery-related equipment and inventory, including the specific equipment referenced in the Priority Agreement for which the Plaintiff was given priority over Royal Bank of Canada.
19. As well, there are two licences, Manufacturer Licence #308687 and Manufacturer Licence #308688, both issued in the name of the Company by the BC Liquor and Cannabis Regulation Branch in connection with the St. Johns Street location in Port Moody, B.C. Copies of the licences are attached hereto and marked together as **Exhibit "M"**.
20. The Plaintiff retained BDO Canada Limited to assess the Company's financial circumstances. I am advised by Chris Bowra of BDO Canada Limited that the director of the Company provided him with information at or about the end of July 2023 regarding the Company's then outstanding priority payables, including approximately \$23,000 in unremitted source deductions and \$37,000 in unremitted GST. For example, attached hereto and marked together as **Exhibit "N"** are copies of a statutory remittances spreadsheet and Canada Revenue Agency tax year balances relating to source deductions for the Company which were provided by the director to Mr. Bowra.
21. On July 25, 2023, Royal Bank of Canada filed a Petition to the Court seeking a Bankruptcy Order against the Company, a copy of which is attached hereto and marked as **Exhibit "O"**. The Petition indicates Royal Bank of Canada was granted a judgment against the Company on May 19, 2023 in the amount of \$408,454.81.
22. I have had communications with the landlord of the St. Johns Street premises (Mr. Bombelli of Elle 3 Imports Ltd.) where the Company operates its business and have been advised that the monthly rent for the premises is \$12,860. Although current rent appears to be up to date, I was advised several months ago by the landlord that approximately \$60,000 in rent arrears was

outstanding from the Company from during the pandemic. I have not been advised that the rent arrears have been paid by the Company.

23. Attached hereto and marked as **Exhibit "P"** is a letter from BDO Canada Limited confirming their consent to act as court appointed receiver of the Company.

24. I make this affidavit in support of the Plaintiff's application for judgment and for the appointment of a receiver of the Company.

SWORN BEFORE ME at the City of  
Calgary, in the Province of Alberta, on  
September 14, 2023

*CMcC*

A Commissioner for taking Affidavits  
in the Province of Alberta.

*Carllyn McConnell  
299 Midvalley Dr SE  
Calgary, AB T2X 1M1  
Expires Oct. 3, 2024*



\_\_\_\_\_  
**RONNELL FRANCISCO**



BC Registry Services

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

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

BC Company Summary

For BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.

Date and Time of Search: August 18, 2023 11:02 AM Pacific Time
Currency Date: September 20, 2022

ACTIVE

Incorporation Number: BC0577988
Name of Company: BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.
Business Number: 872331756 BC0001
Recognition Date: Incorporated on January 11, 1999
Last Annual Report Filed: January 11, 2022
In Liquidation: No
Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address: 590 CARLSEN PLACE PORT MOODY BC V3H 3Z8 CANADA
Delivery Address: 421 CARLSEN PLACE PORT MOODY BC V3H 3Z8 CANADA

RECORDS OFFICE INFORMATION

Mailing Address: 590 CARLSEN PLACE PORT MOODY BC V3H 3Z8 CANADA
Delivery Address: 421 CARLSEN PLACE PORT MOODY BC V3H 3Z8 CANADA

Handwritten notes: This is Exhibit "A" referred to in the affidavit of R. Francisco Sworn before me at Calgary in the province of Alberta this 14 day of September 20 2023. A Commissioner of oaths and Notary Public in and for the Province of Alberta. A.B. Carolyn McAnnell. Oct. 31st 2023

DIRECTOR INFORMATION

Last Name, First Name, Middle Name: MacKerricher, Ian Donald
Mailing Address: 421 CARLSEN PLACE PORT MOODY BC V3H 3Z8 CANADA
Delivery Address: 421 CARLSEN PLACE PORT MOODY BC V3H 3Z8 CANADA

OFFICER INFORMATION AS AT January 11, 2022

**Last Name, First Name, Middle Name:**

Croney, Sandra

name corrected, formerly CRONEY, SANDRA

**Office(s) Held:** (Other Office(s))

**Mailing Address:**

135 - 3098 GUILDFORD WAY  
COQUITLAM BC V3K 3N9  
CANADA

**Delivery Address:**

135 - 3098 GUILDFORD WAY  
COQUITLAM BC V3K 3N9  
CANADA



**BC Registry  
Services**

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

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

## BC Company Summary

For  
**FRASER MILLS FERMENTATION COMPANY LTD.**

**Date and Time of Search:** August 18, 2023 11:03 AM Pacific Time  
**Currency Date:** September 20, 2022

### ACTIVE

**Incorporation Number:** BC1193936  
**Name of Company:** FRASER MILLS FERMENTATION COMPANY LTD.  
**Business Number:** 715630315 BC0001  
**Recognition Date and Time:** Incorporated on January 14, 2019 04:28 PM Pacific Time **In Liquidation:** No  
**Last Annual Report Filed:** January 14, 2023 **Receiver:** No

### REGISTERED OFFICE INFORMATION

<b>Mailing Address:</b> 421 CARLSEN PLACE PORT MOODY BC V3H 3Z8 CANADA	<b>Delivery Address:</b> 421 CARLSEN PLACE PORT MOODY BC V3H 3Z8 CANADA
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### RECORDS OFFICE INFORMATION

<b>Mailing Address:</b> 421 CARLSEN PLACE PORT MOODY BC V3H 3Z8 CANADA	<b>Delivery Address:</b> 421 CARLSEN PLACE PORT MOODY BC V3H 3Z8 CANADA
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### DIRECTOR INFORMATION

**Last Name, First Name, Middle Name:**  
Mackerricher, Ian Donald

<b>Mailing Address:</b> 421 CARLSEN PLACE PORT MOODY BC V3H 3Z8 CANADA	<b>Delivery Address:</b> 421 CARLSEN PLACE PORT MOODY BC V3H 3Z8 CANADA
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NO OFFICER INFORMATION FILED AS AT January 14, 2023.



BDCID: 10015544876

Letter of Offer dated May 7, 2019

Beyond The Grape On Premise Winemaking Ltd.  
3044 St Johns St  
Port Moody, BC  
V3H 2C5

Attention of: Mr. Ian MacKerricher

Re: Loan(s) No. 161146-01

This is Exhibit "B" referred to in the  
affidavit of Ronnell Francisco  
Sworn before me at Calgary  
In the province of Alberta  
this 14 day of September 20 23

C. McConnell  
A Commissioner of oaths and Notary Public in and for the Province of AB  
C. McConnell Exp Oct. 3/24

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

Loan 161146-01 in the amount of \$725,000.00

The Letter of Offer is open for acceptance until May 18, 2019 (the "Acceptance Date") after which date it will become null and void.

#### LOAN PURPOSE AND FUNDING

##### Loan Purpose

Purchase of equipment	1,150,000.00
Tenant Improvement/other	400,000.00
	<hr/>
	1,550,000.00

##### Funding

BDC 161146-01	725,000.00
Shareholder Investment	825,000.00
	<hr/>
	1,550,000.00

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

#### BORROWER

Beyond The Grape On Premise Winemaking Ltd. (the "Borrower")

LETTER OF OFFER Beyond The Grape On Premise Winemaking Ltd. - 161146, May 7, 2019

#### **GUARANTOR**

Fraser Mills Fermentation Company Ltd.

Ian MacKerricher

Michael Edward Druce

Daniel Joseph Parent

Stephen Paul Sheldon

Warren Todd Boyer

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

#### **INTEREST RATE**

##### **Loan 161146-01**

**Floating Rate:** BDC's Floating Base Rate plus a variance of 2.00% per year (the "**Variance 01**"). On the date hereof, BDC's Floating Base Rate is 6.05% per year.

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

#### **INTEREST CALCULATION**

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

#### **REPAYMENT**

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

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

LETTER OF OFFER Beyond The Grape On Premise Winemaking Ltd. - 161146, May 7, 2019

### Loan 161146-01

#### Regular

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
1	Once	8,710.00	23-05-2020	23-05-2020
83	Monthly	8,630.00	23-06-2020	23-04-2027

In addition, interest is payable monthly on the 23<sup>rd</sup> day of the month (the "Payment Date 01") commencing on the next occurring Payment Date 01 following the first advance on the Loan.

Maturity Date: April 23, 2027 (the "Maturity Date 01").

#### PREPAYMENT

**If the interest rate on the Loan is a floating rate:**

The Borrower may prepay at any time all or part of the principal provided the Borrower pays the interest owing up to the time of the prepayment.

**If the interest rate on the Loan is a fixed rate:**

##### Annual prepayment privilege

Provided that the loan is not in default, the Borrower may, once in any 12 month period, prepay up to 15% of the then outstanding principal without indemnity. The first pre-payment can be made at any time more than one year after May 7, 2019, being the date the loan was authorized. The prepayment privilege is not cumulative and each prepayment must be at least 12 months subsequent to the last prepayment. The prepayment privilege is not applicable upon prepayment of the loan in full.

##### Prepayment Indemnity

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



LETTER OF OFFER Beyond The Grape On Premise Winemaking Ltd. - 161146, May 7, 2019

## SECURITY

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

### Loan 161146-01

1. General Security Agreement from Beyond The Grape On Premise Winemaking Ltd. providing:
  - a) a first security interest on all equipment being financed under the program (details to be provided by Borrower), Priority Agreement may be required; and
  - b) a security interest in all other present and after-acquired personal property, except consumer goods, subject only to all existing registered charges, except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of these persons have an interest.
2. Guarantee of Fraser Mills Fermentation Company Ltd. for the full amount of the Loan supported by a General Security Agreement providing a first security interest in all present and after-acquired personal property, except consumer goods.

The guarantor agrees that it is directly responsible for the payment of the cancellation, standby and legal fees.

3. Joint and Several Guarantee of Ian Donald MacKerricher and Michael Edward Druce and Daniel Joseph Parent and Stephen Paul Sheldon and Warren Todd Boyer for 100% of the Loan amount outstanding on the date BDC demands payment under this guarantee. The guarantors agree that they are directly responsible for the payment of the cancellation, standby and legal fees.
4. Postponement of shareholders loans totalling \$825,000 from Ian Donald MacKerricher and Michael Edward Druce and Daniel Joseph Parent and Stephen Paul Sheldon and Warren Todd Boyer to Beyond The Grape On-Premise Winemaking Ltd. Providing the BDC Loan is in good standing, interest may be paid at an annual rate not greater than the interest rate on the BDC Loan.
5. Landlord's waiver of distraint.

## DISBURSEMENT

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

### Loan 161146-01

1. The Borrower's full contribution shall be made in accordance with the Loan Purpose and Sources of Financing prior to or concurrently with the first disbursement of the BDC Loan.
2. Loan or part of the Loan may be disbursed directly to the supplier/Borrower.

An Order for payment on BDCs standard form is to be obtained from Beyond The Grape On-Premise Winemaking Ltd., when requested by BDC.

BDC will disburse upon receipt of invoices evidencing expenditures under the Loan Purpose. The amount disbursed shall not exceed 100% of the total dollar amount of invoices submitted (excluding applicable taxes) to a maximum \$725,000.

LETTER OF OFFER Beyond The Grape On Premise Winemaking Ltd. - 161146, May 7, 2019

Physical inspection by a BDC representative of the expenditures under the Loan Purpose is to be done within 30 days following the last disbursement.

Within 30 days following the last disbursement, BDC shall obtain a report prepared by an independent party commissioned by BDC describing and confirming the location of all existing and/or newly acquired equipment having a purchase price greater or equal to \$20,000, as well as all motor vehicles, trailers, mobile homes, boats, outboard motors and aircraft regardless of their purchase price, pledged as Security in this Letter of Offer. The Borrower is responsible for all fees related to the preparation of this report.

### CONDITIONS PRECEDENT

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

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

### UNDERLYING CONDITIONS

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

1. BDC agrees that upon receipt of written notification, confirming Brewery License approval, from the Borrower and/or Guarantor, BDC will reduce the Joint and Several Guarantee of Ian Donald MacKerricher and Michael Edward Druce and Daniel Joseph Parent and Stephen Paul Sheldon and Warren Todd Boyer from 100% to 40%.

### COVENANTS

The Borrower:

- Confirms that the information in the Application for Financing and all information provided to BDC by the Borrower or on the Borrower's behalf is true.
- Agrees to comply with laws and regulations, including but not limited to environmental laws, applicable to the Borrower and its business.
- Authorizes BDC to obtain relevant information from any party for the purpose of evaluating the financial condition of the Borrower or its business.
- Agrees to obtain BDC's prior written consent a) to change the nature of the business; b) to amalgamate, merge, acquire or otherwise restructure the business or create an affiliated company; c) to sell or transfer shares or any interest in a partnership or limited partnership or trust or change the effective voting control (as determined by

LETTER OF OFFER Beyond The Grape On Premise Winemaking Ltd. - 161146, May 7, 2019

BDC).

- Agrees to refrain from conducting, or permitting to be conducted, any activity which BDC has described as an "Ineligible Activity" in the Application for Financing and acknowledges that this covenant applies to any entity that controls, is controlled by, or is under common control with, the Borrower.
- Agrees to keep secured assets insured against physical damage and other losses on an "All-Risks" Basis including Equipment Breakdown (or Boiler & Machinery) where applicable, for their full replacement value and to name BDC as loss payee as its interests may appear and to ensure that a standard mortgage clause be included in all policies insuring real property and to maintain all policies of insurance in effect for the duration of the Loan.

#### REPORTING OBLIGATIONS

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

Company	Type	Frequency	Period Ending
Beyond The Grape On Premise Winemaking Ltd.	Notice to Reader prepared by a CPA	Annual	January

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

#### DEFAULT

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

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

#### FEES

##### PAYABLE BY BORROWER AND GUARANTOR:

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

LETTER OF OFFER Beyond The Grape On Premise Winemaking Ltd. - 161146, May 7, 2019

**Loan 161146-01**

Lapsing Date: May 7, 2021 (the "Lapsing Date 01").  
Cancellation Fee: \$21,750.00 (the "Cancellation Fee 01").

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

**Loan 161146-01**

Rate: 1.50% per annum  
Date: May 7, 2021

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

**PAYABLE BY BORROWER:**

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

**Loan 161146-01**

\$750.00 per year (the "Management Fee 01")

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

**SUCCESSORS AND ASSIGNS**

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

**ANTI-MONEY LAUNDERING / KNOW YOUR CLIENT**

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

**LETTER OF OFFER** Beyond The Grape On Premise Winemaking Ltd. - 161146, May 7, 2019

### ACCEPTANCE

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

### LANGUAGE CLAUSE

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

### GOVERNING LAW

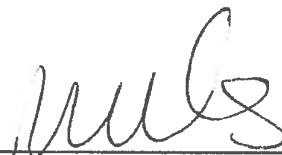
This Letter of Offer shall be governed by and construed in accordance with the laws of the jurisdiction in which the Business Centre of BDC is located as shown on the first page of this Letter of Offer.

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



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Muneeb Hassan  
Manager, Major Accounts  
Phone: (604) 927-1409  
Fax: (604) 927-1415  
Muneeb.Hassan@bdc.ca



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Patricia Mitrikas  
Senior Client Relationship Officer  
Phone: (604) 927-1413  
Fax: (604) 927-1415  
Patricia.Mitrikas@bdc.ca

LETTER OF OFFER Beyond The Grape On Premise Winemaking Ltd. - 161146, May 7, 2019

**ACCEPTANCE**

We accept the terms and conditions this 9<sup>TH</sup> day of MAY 2019.

**Beyond The Grape On Premise Winemaking Ltd.**

  
\_\_\_\_\_, Authorized Signing Officer


Name: IAN MACKERRICHER  
*[Please print name of signing party]*

**GUARANTOR(S)**

**Fraser Mills Fermentation Company Ltd.**

  
\_\_\_\_\_, Authorized Signing Officer


Name: IAN MACKERRICHER  
*[Please print name of signing party]*

  
\_\_\_\_\_

**Ian Mackerricher**

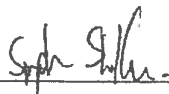
  
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**Michael Edward Druce**

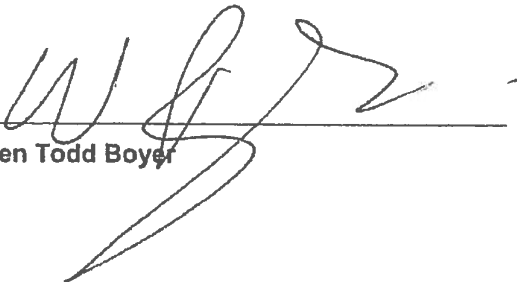
  
\_\_\_\_\_

**Daniel Joseph Parent**

LETTER OF OFFER Beyond The Grape On Premise Winemaking Ltd. - 161146, May 7, 2019



\_\_\_\_\_  
**Stephen Paul Sheldon**



\_\_\_\_\_  
**Warren Todd Boyer**



Loan No. 161146-01

## GUARANTEE

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**GUARANTOR:** Fraser Mills Fermentation Company Ltd. the "Guarantor"  
**CREDITOR:** BUSINESS DEVELOPMENT BANK OF CANADA "BDC"  
**DEBTOR:** Beyond The Grape On Premise Winemaking Ltd. the "Borrower"  
**DEBT:** \$725,000.00 the "Principal Sum"  
**LIMIT OF LIABILITY:** 100% of the Outstanding Balance on the date BDC demands payment under this guarantee the "Limited Amount"  
**DATED:** June 26, 2019  
**BDC BUSINESS CENTRE:** British Columbia (Province/Territory) the "Governing Jurisdiction"

This is Exhibit "C" referred to in the affidavit of R. Francisco  
 Sworn before me at Calgary  
 In the province of Alberta  
 this 14 day of September 2023  
C. McConnell  
 A Commissioner of Oaths and Notary Public in and for the Province of AB  
C. McConnell - Exp 01.3/24



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

**1. DEBT AND SECURITY**

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

**2. GUARANTEE**

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

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

**3. LIABILITY AS PRINCIPAL DEBTOR**

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

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

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

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;
- (f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;

(g) BDC is not bound to seek recourse against the Borrower before requiring payment from the Guarantor and BDC may enforce its various remedies under this guarantee and the Loan Security or any part of it at any time, in any manner and in any order as BDC may choose;

(h) BDC bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;

(i) BDC has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and

(j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between BDC and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

**5. SUBROGATION**

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

**6. RELEASE**

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

**7. PAYMENT AND REMEDYING DEFAULTS**

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

**8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS**

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

**9. CHANGES MUST BE IN WRITING**

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

**10. JOINT AND SEVERAL LIABILITY**

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

**11. JURISDICTION**

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

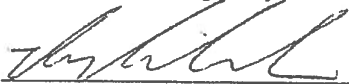
**12. ASSIGNS**

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

**13. COUNTERPARTS**

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

FRASER MILLS FERMENTATION COMPANY LTD.  
by its authorized signatory:



Ian Donald MacKerricher



This is Exhibit " D " referred to in the  
affidavit of R. Francisco  
Sworn before me at Calgary  
In the province of ALBERTA  
this 14 day of September 2023

C. McConnell  
A Commissioner of oaths and Notary Public in and for the Province of ALB.  
C. McConnell, Exp. Oct. 3/24

## GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated June 26, 2019

FROM:

BEYOND THE GRAPE ON PREMISE WINE MAKING LTD. (Incorporation No. BC0577988), a company duly incorporated under the laws of the Province of British Columbia, having an address at 3044 St Johns Street, Port Moody, BC V3H 2C5

(the "Debtor")

TO:

BUSINESS DEVELOPMENT BANK OF CANADA, incorporated by Special Act of the Parliament of Canada, and having its head office in Montreal, Quebec, with a business centre at Suite 370, 2755 Lougheed Highway, Port Coquitlam, BC V3B 5Y9

("BDC")

1. SECURITY INTEREST

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

1.1 For consideration the Debtor:

- (a) mortgages and charges as a fixed and specific charge, and assigns and transfers to BDC, and grants to BDC a general and continuing security interest in all of the Debtor's present and after acquired personal property including, without limitation:
  - (i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
  - (ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");
  - (iii) all debts, accounts, claims, demands, monies and choses in action which now are, or which may at any time be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, monies and choses in action (all of which is collectively called the "Accounts");
  - (iv) all documents of title, chattel paper, instruments, securities and money, and all other personal

property, of the Debtor that is not Equipment, Inventory or Accounts;

- (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Debtor (all of which is hereinafter collectively called the "Intellectual Property");
  - (vi) all the Debtor's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Debtor, and all other intangible property of the Debtor, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
  - (vii) the personal property described in Schedule A attached to this Security Agreement;
  - (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to BDC a general and continuing security interest and charges by way of a floating charge:
- (i) all of the Debtor's right, title and interest in all its present and after acquired real, immovable and leasehold property, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected with or appurtenant to this property or separately owned or held, including all structures, plant and other fixtures and including all mineral claims, mineral rights and leases, all oil, gas and hydrocarbon rights and interests (all of which is collectively called the "Real Property") and excluding the personal property described in Clause 1.1(a); and
  - (ii) all of the undertaking and assets of the Debtor, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of BDC created pursuant to this Clause 1.1.

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

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

## 2. EXCEPTIONS

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

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

2.2 All the Debtor's consumer goods are excepted out of the Security Interests; provided that for the purposes of Collateral in the Yukon the Security Interests shall include Special Consumer Goods as that term is defined in the *Personal Property Security Act* (Yukon); provided further that for the purposes of Collateral in Saskatchewan the Security Interests shall include consumer goods of the Debtor.

**3. ATTACHMENT**

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

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

**4. PURCHASE MONEY SECURITY INTEREST**

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

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

**5. OBLIGATIONS SECURED**

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

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

**6. REPRESENTATIONS AND WARRANTIES**

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

**6.1 The Debtor represents and warrants to BDC that:**

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

- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;
- (d) if the Debtor is an individual, that individual's full name and address as set forth on page 1 of this Security Agreement are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to BDC or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to BDC is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Debtor, in which a decision adverse to the Debtor would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Debtor; and the Debtor agrees to promptly notify BDC of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to BDC in writing and which, if known to BDC, might reasonably be expected to deter BDC from extending credit or advancing funds to the Debtor;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by BDC, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by BDC;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Debtor has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to BDC;
- (i) the Collateral is and/or will be located at the place(s) described in Schedule A and will not be removed from such location(s) without the prior written consent of BDC;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor, if the Debtor is a corporation, or, if the Debtor is a partnership, of the partners of the Debtor, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations valid and there is no restriction contained in the constating documents of the Debtor or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Debtor to borrow money or give security; and
- (k) the Debtor's place(s) of business and chief executive office are correctly described in Schedule A.

## 7. COVENANTS OF THE DEBTOR

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

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



including legal defence costs. Your obligation under this paragraph continues even after the Obligations are repaid and this Security Agreement is terminated;

- (ix) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by BDC as security for the Obligations, protect BDC from liability in connection with the Security Interests or assist BDC in its loan and credit granting or realization of the Security Interest, including any actions under the *Bankruptcy and Insolvency Act* (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to the *Bankruptcy and Insolvency Act* (Canada);
- (h) at BDC's request, execute and deliver further documents and instruments and do all acts as BDC in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify BDC promptly of:
  - (i) any change in the information contained in this Security Agreement relating to the Debtor, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
  - (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
  - (iii) any material loss or damage to the Collateral;
  - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Debtor respecting any Accounts;
  - (v) any claims against the Debtor including claims in respect of the Intellectual Property or of any actions taken by the Debtor to defend the registration of or the validity of or any infringement of the Intellectual Property;
  - (vi) the return to or repossession by the Debtor of Collateral that was disposed of by the Debtor; and
  - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
- (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (l) permit BDC and its representatives, at all reasonable times, access to the Collateral including all of the Debtor's property, assets and undertakings and to all its books of account and records, whether at your premises or at your financial advisors, for the purpose of inspection and the taking of extracts, and the Debtor will render all assistance necessary;
- (m) permit and does consent to BDC contacting and making enquiries of the Debtor's lessors as well as assessors, municipal authorities and any taxing body;
- (n) observe and perform all its obligations under:
  - (i) leases, licences, undertakings, and any other agreements to which it is a party;

- (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
  - (o) deliver to BDC from time to time promptly upon request:
    - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
    - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow BDC to inspect, audit or copy them;
    - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
    - (iv) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as BDC may reasonably require;
  - (p) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;
  - (q) with respect to copyright forming part of the Intellectual Property, provide to BDC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
  - (r) receive and hold in trust on behalf of and for the benefit of BDC all proceeds from the sale or other disposition of any Collateral; and
  - (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement, including Schedule B, if any.
- 7.2 Any amounts required to be paid to BDC by the Debtor under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.
- 7.3 This Security Agreement shall remain in effect until it has been terminated by BDC by notice of termination to the Debtor and all registrations relating to the Security Agreement have been discharged.
- 8. INSURANCE**  
(It is your obligation to thoroughly insure the Collateral in order to protect your interests and those of BDC. You will follow the specific requirements of the insurance coverage described in this Clause.)
- 8.1 The Debtor covenants that while this Security Agreement is in effect the Debtor shall:
- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as BDC may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
  - (b) cause the insurance policy or policies required by this Security Agreement to be assigned to BDC, including a standard mortgage clause or a mortgage endorsement, as BDC may require;
  - (c) pay all premiums respecting such insurance, and deliver all policies to BDC, if required.
- 8.2 If proceeds of any required insurance becomes payable, BDC may, in its absolute discretion, apply these proceeds to the Obligations as BDC sees fit or release any insurance proceeds to the Debtor to repair, replace or rebuild, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.

- 8.3 The Debtor will promptly, on the happening of loss or damage to the Collateral, notify BDC and furnish to BDC at the Debtor's expense any necessary proof and do any necessary act to enable BDC to obtain payment of the insurance proceeds, but nothing shall limit BDC's right to submit to the insurer a proof of loss on its own behalf.
- 8.4 The Debtor authorizes and directs the insurer under any required policy of insurance to include the name of BDC as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by BDC to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.
- 8.5 If the Debtor fails to maintain insurance as required, BDC may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as BDC may wish to maintain.

**9. OTHER PROHIBITIONS**

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

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

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

**10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL**

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

- 10.1 Except as provided by this Security Agreement, without BDC's prior written consent the Debtor will not:
- (a) sell, lease, license or otherwise dispose of the Collateral;
  - (b) release, surrender or abandon possession of the Collateral; or
  - (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

- 10.2 So long as the Debtor is not in default under this Security Agreement the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business.
- 10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Debtor holding the proceeds in trust for and on behalf of BDC and subject to BDC's exclusive direction and control. Nothing restricts BDC's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with BDC's prior written consent.

#### 11. PERFORMANCE OF OBLIGATIONS

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

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

#### 12. ACCOUNTS

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

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

#### 13. APPROPRIATION OF PAYMENTS

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

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

#### 14. DEFAULT

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

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

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

- (a) the occurrence of an event described in Clause 14.1(a), (b), (c), (d), (e) or (f), or
- (b) BDC taking any action pursuant to Clause 15 to enforce and realize on the Security Interests;

and for the better securing to BDC repayment of the Obligations the Debtor mortgages to BDC all of the Debtor's estate and interest in the Real Property.

## 15. ENFORCEMENT

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

- 15.1 If the Debtor is in default under this Security Agreement BDC may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests BDC may take any action permitted by law or in equity as it may deem expedient and in particular, without limitation, BDC may do any of the following:
- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the "Receiver") of all or any part of the Collateral, with or without bond as BDC may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
  - (b) enter upon any of the Debtor's premises at any time and take possession of the Collateral with power to exclude the Debtor, its agents and its servants, without becoming liable as a mortgagee in possession;
  - (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as BDC deems advisable;
  - (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to BDC may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
  - (e) register assignments of the Intellectual Property, and use, sell, assign, license or sub-license any of the Intellectual Property; and
  - (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.
- 15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Debtor and not of BDC and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of BDC under this Security Agreement, and in addition shall have power to:
- (a) carry on the Debtor's business and to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
  - (b) make an assignment for the benefit of the Debtor's creditors or a proposal on behalf of the Debtor under the *Bankruptcy and Insolvency Act* (Canada); and
  - (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
  - (d) make any arrangement or compromise that the Receiver deems expedient.

- 15.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as BDC, in its absolute discretion and to the full extent permitted by law, may direct as follows:
- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and its own client basis) incurred by BDC respecting or incidental to:
    - (i) the exercise by BDC of the rights and powers granted to it by this Security Agreement; and
    - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
  - (b) in or toward payment to BDC of all principal and other monies (except interest) due in respect of the Obligations;
  - (c) in or toward payment to BDC of all interest remaining unpaid respecting the Obligations; and
  - (d) in payment to those parties entitled thereto under the Act.

**16. GENERAL PROVISIONS PROTECTING BDC**

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

- 16.1 To the full extent permitted by law, BDC shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when BDC shall manage the Collateral upon entry or seizure, nor shall BDC be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. BDC shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall BDC, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall BDC be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Debtor waives any provision of law permitted to be waived by it which imposes greater obligations upon BDC than described above.
- 16.2 Neither BDC nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of BDC, the Debtor or any other party respecting the Collateral. BDC shall also not be liable for any misconduct, negligence, misfeasance by BDC, the Receiver or any employee or agent of BDC or the Receiver, or for the exercise of the rights and remedies conferred upon BDC or the Receiver by this Security Agreement.
- 16.3 BDC or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Debtor, co-obligants, guarantors and others and with the Collateral and other securities as BDC may see fit without liability to the Debtor and without prejudice to BDC's rights respecting the Obligations or BDC's right to hold and realize the Collateral. The Debtor shall not be released nor shall its liability be in any way reduced because BDC has done or concurred in the doing of anything whereby a guarantor would be released in whole or in part.
- 16.4 Notwithstanding anything to the contrary in any security held by BDC for the Obligations, each part is given as additional, concurrent and collateral security to the remainder of the security. BDC in its sole discretion may realize upon or abstain from realizing on any security for the Obligations in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise or abstaining from exercising of

any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.

- 16.5 Any right of BDC and any obligation of the Debtor arising under any other agreements between BDC and the Debtor shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security Agreement. The obligation, if any, of the Debtor to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of BDC's commitment letter or Loan Agreement with the Debtor shall survive the signing and registration of this Security Agreement and BDC's advancement of any money to the Debtor and any legal fees, commitment fees, standby fees or administration fees owing by the Debtor shall be secured by the Collateral.
- 16.6 In the event that BDC registers a notice of assignment of Intellectual Property the Debtor shall be responsible for and shall indemnify BDC against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.
- 16.7 Notwithstanding any taking of possession of the Collateral, or any other action which BDC or the Receiver may take, the Debtor now covenants and agrees with BDC that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to BDC at the time of such disposition, the Debtor shall immediately pay to BDC an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Debtor agrees that BDC may bring action against the Debtor for payment of the deficiency, notwithstanding any defects or irregularities of BDC or the Receiver in enforcing its rights under this Security Agreement.

**17. APPOINTMENT OF ATTORNEY**  
(You appoint BDC your attorney for specific matters.)

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

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

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

**19. NO OBLIGATION TO ADVANCE**  
(BDC determines, in the end, whether any advances or further advances under the loan facility will be made.)

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

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

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



**21. NOTICE**

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

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

**22. EXTENSIONS**

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

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

**23. NO MERGER**

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

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

**24. RIGHTS CUMULATIVE**

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

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

**25. ASSIGNMENT**

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

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

**26. SATISFACTION AND DISCHARGE**

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

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to BDC shall not be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon

written request by the Debtor and, subject to applicable law, payment to BDC of an administrative fee to be fixed by BDC and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by BDC in connection with the Obligations and such release and discharge. The Debtor shall, subject to applicable law, pay an administrative fee, to be fixed by BDC, for the preparation or execution of any full or partial release or discharge by BDC of any security it holds, of the Debtor, or of any guarantor or covenantor with respect to any Obligations.

## 27. ENVIRONMENT

The Debtor represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) the Collateral and Real Property are and will remain free of environmental damage or contamination;
- (e) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Debtor's business or assets including without limitation the Collateral;
- (f) it will advise BDC immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide BDC with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Debtor and it consents to BDC contacting and making enquiries of environmental officials or assessors;
- (h) it will not install on or under any land mortgaged to BDC storage tanks for petroleum products or any hazardous substance without BDC's prior written consent and only upon full compliance with BDC's requirements and local ordinances or regulations;
- (i) it will from time to time when requested by BDC provide to BDC evidence of its full compliance with the Debtor's obligations in this Clause 27.

## 28. ENUREMENT

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

## 29. INTERPRETATION

### 29.1 In this Security Agreement:

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

- 29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.
- 29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.
- 29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.
- 29.5 This Security Agreement shall be governed by the laws of the jurisdiction referred to in Subclause 29.1(b). For enforcement purposes, the Debtor hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which BDC enforces its rights and remedies hereunder.

### 30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

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

### 31. TIME

Time shall in all respects be of the essence.

### 32. INDEPENDENT ADVICE

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

### 33. SASKATCHEWAN LAW

If the Debtor is a corporation, the Debtor agrees as follows:

- (a) that the *Land Contracts (Actions) Act* of Saskatchewan shall have no application to any action, as defined in the *Land Contracts (Actions) Act* of Saskatchewan, respecting this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of BDC under this Security Agreement or any mortgage or charge created by this Security Agreement as BDC is specifically exempted from the operation of that Act;
- (b) that the *Limitation of Civil Rights Act* of Saskatchewan shall have no application to this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of BDC under this Security Agreement or any mortgage or charge created by this Security Agreement; and
- (c) that if it is an agricultural corporation, as defined in the *Saskatchewan Farm Security Act*, it has received independent legal advice prior to the execution of this Security Agreement, and agrees that the provisions of Part IV of the *Saskatchewan Farm Security Act*, other than Section 46, shall not apply to the Debtor.

34. PARENTHETICAL COMMENTS

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

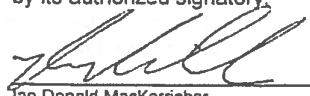
35. THE LOAN AGREEMENT

If the Debtor has entered into a commitment letter or a written loan agreement (the "Loan Agreement") with BDC dealing with, or relating to, the loan facilities secured by this Security Agreement, the Debtor acknowledges and agrees that in the event of any discrepancy between any term of this Security Agreement and any term of the Loan Agreement, the terms of the Loan Agreement shall apply and take precedence over the terms of this Security Agreement.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement.

Officer Signature(s)  
  
Michael A. Poznanski  
Lawyer  
BTM LAWYERS LLP  
530 - 130 Brew St.  
Port Moody, BC V3H 0E3  
Tel: 604-937-1166 Fax: 604-937-5577

Execution Date  
Y M D  
19 06 26

Debtor(s) Signature(s)  
BEYOND THE GRAPE ON PREMISE  
WINE MAKING LTD.  
by its authorized signatory:  
  
Ian Donald MacKerricher

(as to all signatures)

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

## SCHEDULE A

**Subclause 1.1 (a) (vii):**

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

the following serial numbered goods:

Type	Serial No. (re: motor vehicles & trailers) Dept. of Transport No. (re: aircraft)	Year	Make and Model

**Subclause 6.1 (c):**

Date of Birth of Debtor (if an individual):

\_\_\_\_\_  
Month

\_\_\_\_\_  
Day

\_\_\_\_\_  
Year

**Subclause 6.1 (i):**

Location(s) of the Collateral:

3044 St Johns Street, Port Moody, BC V3H 2C5

**Subclause 6.1 (k):**

The Debtor's place(s) of business ("POB") and chief executive office ("CEO")

<b>Chief Executive Office:</b>	3044 St Johns Street, Port Moody, BC V3H 2C5
<b>Place of Business:</b>	3044 St Johns Street, Port Moody, BC V3H 2C5
<b>And:</b>	

## SCHEDULE B

[The provisions of this Schedule B apply in those jurisdictions where the Act or its regulations defines "Licenses"]

### Additional Covenants (Forest Licenses)

- 7.1 (t) so long as the Collateral includes any licence as defined in the Act, and more particularly described in Clause 1 (the "Licences"), the Debtor shall:
- (i) pay all costs of its logging operations including, without limitation, all related stumpage, royalties and all other charges, and all fees, rentals, taxes permits, leases or other rights requisite for the purposes of logging operations;
  - (ii) pay all assessments, damages, penalties or other liabilities arising by reason of default in compliance with the provisions of the Licences or of the *Forest Act* (British Columbia), the *Forests Act* (Alberta), the *Public Lands Act* (Alberta) [or other legislation in other jurisdictions] or of any regulation thereunder;
  - (iii) observe and perform all the requirements of the Licences, of the *Forest Act* [or other legislation in other jurisdictions], and any government regulations relating to logging and fire protection and will dispose of slash to the satisfaction of the responsible ministry;
  - (iv) conduct all logging and related operations in a manner to preserve and maintain in good standing the Licenses, and all of the rights and privileges attached to the Licenses and, without limitation, so as to enable the licensee to recover any refundable deposit paid under the Licenses; and
  - (i) should the Licenses involve products not falling within the forestry industry, comply with all applicable laws and regulations, pay all costs and assessments required by the responsible ministry and take all steps necessary to preserve and maintain in good standing the Licenses.

- (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Debtor (all of which is hereinafter collectively called the "Intellectual Property");
  - (vi) all the Debtor's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Debtor, and all other intangible property of the Debtor, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
  - (vii) the personal property described in Schedule A attached to this Security Agreement;
  - (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to BDC a general and continuing security interest and charges by way of a floating charge:
- (i) all of the Debtor's right, title and interest in all its present and after acquired real, immovable and leasehold property, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected with or appurtenant to this property or separately owned or held, including all structures, plant and other fixtures and including all mineral claims, mineral rights and leases, all oil, gas and hydrocarbon rights and interests (all of which is collectively called the "Real Property") and excluding the personal property described in Clause 1.1(a); and
  - (ii) all of the undertaking and assets of the Debtor, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of BDC created pursuant to this Clause 1.1.
- 1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".
- 1.3 The schedules, including definitions, form part of this Security Agreement.
- 2. EXCEPTIONS**  
(With few exceptions, all of your personal property and real property interests are subject to the security interests and charges described in Clause 1.1. Only the last day of any lease term and possibly your consumer goods are excepted. Corporations do not hold consumer goods.)
- 2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Debtor shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as BDC shall direct.
- 2.2 All the Debtor's consumer goods are excepted out of the Security Interests; provided that for the purposes of Collateral in the Yukon the Security Interests shall include Special Consumer Goods as that term is defined in the *Personal Property Security Act* (Yukon); provided further that for the purposes of Collateral in Saskatchewan the Security Interests shall include consumer goods of the Debtor.



# GENERAL SECURITY AGREEMENT

This is Exhibit "E" referred to in the affidavit of R. Francisco Sworn before me at Calgary In the province of Alberta this 14 day of September 20 23  
C. McConnell  
A Commissioner of oaths and Notary Public in and for the Province of AB  
C. McConnell. Exp. Oct. 3/24

THIS AGREEMENT dated June 16, 2019

FROM:

FRASER MILLS FERMENTATION COMPANY LTD. (Incorporation No. BC1193936), a company duly incorporated under the laws of the Province of British Columbia, having an office located at 3044 St Johns Street, Port Moody, BC V3H 2C5

(the "Debtor")

TO:

BUSINESS DEVELOPMENT BANK OF CANADA, incorporated by Special Act of the Parliament of Canada, and having its head office in Montreal, Quebec, with a business centre at Suite 370, 2755 Lougheed Highway, Port Coquitlam, BC V3B 5Y9

("BDC")

## 1. SECURITY INTEREST

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

### 1.1 For consideration the Debtor:

- (a) mortgages and charges as a fixed and specific charge, and assigns and transfers to BDC, and grants to BDC a general and continuing security interest in all of the Debtor's present and after acquired personal property including, without limitation:
  - (i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
  - (ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");
  - (iii) all debts, accounts, claims, demands, monies and choses in action which now are, or which may at any time be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, monies and choses in action (all of which is collectively called the "Accounts");
  - (iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Debtor that is not Equipment, Inventory or Accounts;



**3. ATTACHMENT**

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

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

**4. PURCHASE MONEY SECURITY INTEREST**

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

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

**5. OBLIGATIONS SECURED**

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

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

**6. REPRESENTATIONS AND WARRANTIES**

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

**6.1 The Debtor represents and warrants to BDC that:**

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

- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Debtor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;
- (d) if the Debtor is an individual, that individual's full name and address as set forth on page 1 of this Security Agreement are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to BDC or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to BDC is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Debtor, in which a decision adverse to the Debtor would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Debtor, and the Debtor agrees to promptly notify BDC of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to BDC in writing and which, if known to BDC, might reasonably be expected to deter BDC from extending credit or advancing funds to the Debtor;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by BDC, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by BDC;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Debtor has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to BDC;
- (i) the Collateral is and/or will be located at the place(s) described in Schedule A and will not be removed from such location(s) without the prior written consent of BDC;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor, if the Debtor is a corporation, or, if the Debtor is a partnership, of the partners of the Debtor, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations valid and there is no restriction contained in the constating documents of the Debtor or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Debtor to borrow money or give security; and
- (k) the Debtor's place(s) of business and chief executive office are correctly described in Schedule A.

## 7. COVENANTS OF THE DEBTOR

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

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

including legal defence costs. Your obligation under this paragraph continues even after the Obligations are repaid and this Security Agreement is terminated;

- (ix) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by BDC as security for the Obligations, protect BDC from liability in connection with the Security Interests or assist BDC in its loan and credit granting or realization of the Security Interest, including any actions under the *Bankruptcy and Insolvency Act* (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to the *Bankruptcy and Insolvency Act* (Canada);
- (h) at BDC's request, execute and deliver further documents and instruments and do all acts as BDC in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;
- (i) notify BDC promptly of:
  - (i) any change in the information contained in this Security Agreement relating to the Debtor, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
  - (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
  - (iii) any material loss or damage to the Collateral;
  - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Debtor respecting any Accounts;
  - (v) any claims against the Debtor including claims in respect of the Intellectual Property or of any actions taken by the Debtor to defend the registration of or the validity of or any infringement of the Intellectual Property;
  - (vi) the return to or repossession by the Debtor of Collateral that was disposed of by the Debtor; and
  - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
- (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (l) permit BDC and its representatives, at all reasonable times, access to the Collateral including all of the Debtor's property, assets and undertakings and to all its books of account and records, whether at your premises or at your financial advisors, for the purpose of inspection and the taking of extracts, and the Debtor will render all assistance necessary;
- (m) permit and does consent to BDC contacting and making enquiries of the Debtor's lessors as well as assessors, municipal authorities and any taxing body;
- (n) observe and perform all its obligations under:
  - (i) leases, licences, undertakings, and any other agreements to which it is a party;

- (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
- (o) deliver to BDC from time to time promptly upon request:
- (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
  - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow BDC to inspect, audit or copy them;
  - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
  - (iv) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as BDC may reasonably require;
- (p) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;
- (q) with respect to copyright forming part of the Intellectual Property, provide to BDC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
- (r) receive and hold in trust on behalf of and for the benefit of BDC all proceeds from the sale or other disposition of any Collateral; and
- (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement, including Schedule B, if any.
- 7.2 Any amounts required to be paid to BDC by the Debtor under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.
- 7.3 This Security Agreement shall remain in effect until it has been terminated by BDC by notice of termination to the Debtor and all registrations relating to the Security Agreement have been discharged.
- 8. INSURANCE**  
(It is your obligation to thoroughly insure the Collateral in order to protect your interests and those of BDC. You will follow the specific requirements of the insurance coverage described in this Clause.)
- 8.1 The Debtor covenants that while this Security Agreement is in effect the Debtor shall:
- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as BDC may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
  - (b) cause the insurance policy or policies required by this Security Agreement to be assigned to BDC, including a standard mortgage clause or a mortgage endorsement, as BDC may require;
  - (c) pay all premiums respecting such insurance, and deliver all policies to BDC, if required.
- 8.2 If proceeds of any required insurance becomes payable, BDC may, in its absolute discretion, apply these proceeds to the Obligations as BDC sees fit or release any insurance proceeds to the Debtor to repair, replace or rebuild, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.

- 8.3 The Debtor will promptly, on the happening of loss or damage to the Collateral, notify BDC and furnish to BDC at the Debtor's expense any necessary proof and do any necessary act to enable BDC to obtain payment of the insurance proceeds, but nothing shall limit BDC's right to submit to the insurer a proof of loss on its own behalf.
- 8.4 The Debtor authorizes and directs the insurer under any required policy of insurance to include the name of BDC as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by BDC to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.
- 8.5 If the Debtor fails to maintain insurance as required, BDC may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as BDC may wish to maintain.

**9. OTHER PROHIBITIONS**

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

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

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

**10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL**

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

- 10.1 Except as provided by this Security Agreement, without BDC's prior written consent the Debtor will not:
- (a) sell, lease, license or otherwise dispose of the Collateral;
  - (b) release, surrender or abandon possession of the Collateral; or
  - (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

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

10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Debtor holding the proceeds in trust for and on behalf of BDC and subject to BDC's exclusive direction and control. Nothing restricts BDC's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with BDC's prior written consent.

#### 11. PERFORMANCE OF OBLIGATIONS

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

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

#### 12. ACCOUNTS

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

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

#### 13. APPROPRIATION OF PAYMENTS

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

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

#### 14. DEFAULT

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

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

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

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



- (a) the occurrence of an event described in Clause 14.1(a), (b), (c), (d), (e) or (f), or
- (b) BDC taking any action pursuant to Clause 15 to enforce and realize on the Security Interests;

and for the better securing to BDC repayment of the Obligations the Debtor mortgages to BDC all of the Debtor's estate and interest in the Real Property.

## 15. ENFORCEMENT

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

- 15.1 If the Debtor is in default under this Security Agreement BDC may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests BDC may take any action permitted by law or in equity as it may deem expedient and in particular, without limitation, BDC may do any of the following:
- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the "Receiver") of all or any part of the Collateral, with or without bond as BDC may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
  - (b) enter upon any of the Debtor's premises at any time and take possession of the Collateral with power to exclude the Debtor, its agents and its servants, without becoming liable as a mortgagee in possession;
  - (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as BDC deems advisable;
  - (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to BDC may seem reasonable, provided that if any sale, lease or other disposition is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
  - (e) register assignments of the Intellectual Property, and use, sell, assign, license or sub-license any of the Intellectual Property; and
  - (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws.
- 15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Debtor and not of BDC and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of BDC under this Security Agreement, and in addition shall have power to:
- (a) carry on the Debtor's business and to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
  - (b) make an assignment for the benefit of the Debtor's creditors or a proposal on behalf of the Debtor under the *Bankruptcy and Insolvency Act* (Canada); and
  - (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
  - (d) make any arrangement or compromise that the Receiver deems expedient.

- 15.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as BDC, in its absolute discretion and to the full extent permitted by law, may direct as follows:
- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and its own client basis) incurred by BDC respecting or incidental to:
    - (i) the exercise by BDC of the rights and powers granted to it by this Security Agreement; and
    - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
  - (b) in or toward payment to BDC of all principal and other monies (except interest) due in respect of the Obligations;
  - (c) in or toward payment to BDC of all interest remaining unpaid respecting the Obligations; and
  - (d) in payment to those parties entitled thereto under the Act.
16. **GENERAL PROVISIONS PROTECTING BDC**  
 (You have granted this Security Agreement to BDC in consideration by BDC advancing funds or providing credit or a credit facility to you. BDC will not be responsible for debts or liabilities that may arise except to the extent that it agrees to be responsible or liable in this Security Agreement. If enforcement becomes necessary, BDC will act in good faith and in a commercially reasonable manner.)
- 16.1 To the full extent permitted by law, BDC shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when BDC shall manage the Collateral upon entry or seizure, nor shall BDC be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. BDC shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall BDC, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall BDC be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Debtor waives any provision of law permitted to be waived by it which imposes greater obligations upon BDC than described above.
- 16.2 Neither BDC nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of BDC, the Debtor or any other party respecting the Collateral. BDC shall also not be liable for any misconduct, negligence, misfeasance by BDC, the Receiver or any employee or agent of BDC or the Receiver, or for the exercise of the rights and remedies conferred upon BDC or the Receiver by this Security Agreement.
- 16.3 BDC or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Debtor, co-obligants, guarantors and others and with the Collateral and other securities as BDC may see fit without liability to the Debtor and without prejudice to BDC's rights respecting the Obligations or BDC's right to hold and realize the Collateral. The Debtor shall not be released nor shall its liability be in any way reduced because BDC has done or concurred in the doing of anything whereby a guarantor would be released in whole or in part.
- 16.4 Notwithstanding anything to the contrary in any security held by BDC for the Obligations, each part is given as additional, concurrent and collateral security to the remainder of the security. BDC in its sole discretion may realize upon or abstain from realizing on any security for the Obligations in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise or abstaining from exercising of

any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.

- 16.5 Any right of BDC and any obligation of the Debtor arising under any other agreements between BDC and the Debtor shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security Agreement. The obligation, if any, of the Debtor to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of BDC's commitment letter or Loan Agreement with the Debtor shall survive the signing and registration of this Security Agreement and BDC's advancement of any money to the Debtor and any legal fees, commitment fees, standby fees or administration fees owing by the Debtor shall be secured by the Collateral.
- 16.6 In the event that BDC registers a notice of assignment of Intellectual Property the Debtor shall be responsible for and shall indemnify BDC against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.
- 16.7 Notwithstanding any taking of possession of the Collateral, or any other action which BDC or the Receiver may take, the Debtor now covenants and agrees with BDC that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to BDC at the time of such disposition, the Debtor shall immediately pay to BDC an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Debtor agrees that BDC may bring action against the Debtor for payment of the deficiency, notwithstanding any defects or irregularities of BDC or the Receiver in enforcing its rights under this Security Agreement.

**17. APPOINTMENT OF ATTORNEY**  
(You appoint BDC your attorney for specific matters.)

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

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

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

**19. NO OBLIGATION TO ADVANCE**  
(BDC determines, in the end, whether any advances or further advances under the loan facility will be made.)

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

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

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

**21. NOTICE**

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

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

**22. EXTENSIONS**

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

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

**23. NO MERGER**

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

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

**24. RIGHTS CUMULATIVE**

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

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

**25. ASSIGNMENT**

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

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

**26. SATISFACTION AND DISCHARGE**

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

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to BDC shall not be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon

written request by the Debtor and, subject to applicable law, payment to BDC of an administrative fee to be fixed by BDC and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by BDC in connection with the Obligations and such release and discharge. The Debtor shall, subject to applicable law, pay an administrative fee, to be fixed by BDC, for the preparation or execution of any full or partial release or discharge by BDC of any security it holds, of the Debtor, or of any guarantor or covenantor with respect to any Obligations.

## 27. ENVIRONMENT

The Debtor represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) the Collateral and Real Property are and will remain free of environmental damage or contamination;
- (e) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Debtor's business or assets including without limitation the Collateral;
- (f) it will advise BDC immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide BDC with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Debtor and it consents to BDC contacting and making enquiries of environmental officials or assessors;
- (h) it will not install on or under any land mortgaged to BDC storage tanks for petroleum products or any hazardous substance without BDC's prior written consent and only upon full compliance with BDC's requirements and local ordinances or regulations;
- (i) it will from time to time when requested by BDC provide to BDC evidence of its full compliance with the Debtor's obligations in this Clause 27.

## 28. ENUREMENT

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

## 29. INTERPRETATION

### 29.1 In this Security Agreement:

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

- 29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.
- 29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.
- 29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.
- 29.5 This Security Agreement shall be governed by the laws of the jurisdiction referred to in Subclause 29.1(b). For enforcement purposes, the Debtor hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which BDC enforces its rights and remedies hereunder.

### 30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

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

### 31. TIME

Time shall in all respects be of the essence.

### 32. INDEPENDENT ADVICE

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

### 33. SASKATCHEWAN LAW

If the Debtor is a corporation, the Debtor agrees as follows:

- (a) that the *Land Contracts (Actions) Act* of Saskatchewan shall have no application to any action, as defined in the *Land Contracts (Actions) Act* of Saskatchewan, respecting this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of BDC under this Security Agreement or any mortgage or charge created by this Security Agreement as BDC is specifically exempted from the operation of that Act;
- (b) that the *Limitation of Civil Rights Act* of Saskatchewan shall have no application to this Security Agreement, any mortgage, charge or other security for the payment of money made, given or created by this Security Agreement, any agreement or instrument which renews or extends or is collateral to this Security Agreement, or the rights, powers or remedies of BDC under this Security Agreement or any mortgage or charge created by this Security Agreement; and
- (c) that if it is an agricultural corporation, as defined in the *Saskatchewan Farm Security Act*, it has received independent legal advice prior to the execution of this Security Agreement, and agrees that the provisions of Part IV of the *Saskatchewan Farm Security Act*, other than Section 46, shall not apply to the Debtor.

## 34. PARENTHETICAL COMMENTS

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

## 35. THE LOAN AGREEMENT

If the Debtor has entered into a commitment letter or a written loan agreement (the "Loan Agreement") with BDC dealing with, or relating to, the loan facilities secured by this Security Agreement, the Debtor acknowledges and agrees that in the event of any discrepancy between any term of this Security Agreement and any term of the Loan Agreement, the terms of the Loan Agreement shall apply and take precedence over the terms of this Security Agreement.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement.

Officer Signature(s)

Execution Date

Y M D

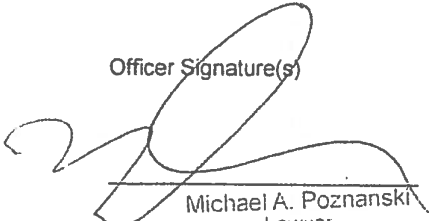
Debtor(s) Signature(s)

19 06 26

Fraser Mills Fermentation Company

Ltd.

by its authorized signatory:


  
Michael A. Poznanski

Lawyer

BTM LAWYERS LLP

530 - 130 Brew St.

Port Moody, BC V3H 0E3

Tel: 604-937-1166 Fax: 604-937-5577


  
Michael Edward Druce

(as to all signatures)

**OFFICER CERTIFICATION:**

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

## SCHEDULE A

**Subclause 1.1 (a) (vii):**

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

the following serial numbered goods:

Type	Serial No. (re: motor vehicles & trailers) Dept. of Transport No. (re: aircraft)	Year	Make and Model

**Subclause 6.1 (c):**

Date of Birth of Debtor (if an individual):

\_\_\_\_\_  
Month

\_\_\_\_\_  
Day

\_\_\_\_\_  
Year

**Subclause 6.1 (i):**

Location(s) of the Collateral:

3044 St Johns Street, Port Moody, BC V3H 2C5

**Subclause 6.1 (k):**

The Debtor's place(s) of business ("POB") and chief executive office ("CEO")

<b>Chief Executive Office:</b>	3044 St Johns Street, Port Moody, BC V3H 2C5
<b>Place of Business:</b>	3044 St Johns Street, Port Moody, BC V3H 2C5
<b>And:</b>	



## SCHEDULE B

[The provisions of this Schedule B apply in those jurisdictions where the Act or its regulations defines "Licenses"]

### Additional Covenants (Forest Licenses)

- 7.1 (t) so long as the Collateral includes any licence as defined in the Act, and more particularly described in Clause 1 (the "Licences"), the Debtor shall:
- (i) pay all costs of its logging operations including, without limitation, all related stumpage, royalties and all other charges, and all fees, rentals, taxes permits, leases or other rights requisite for the purposes of logging operations;
  - (ii) pay all assessments, damages, penalties or other liabilities arising by reason of default in compliance with the provisions of the Licences or of the *Forest Act* (British Columbia), the *Forests Act* (Alberta), the *Public Lands Act* (Alberta) [or other legislation in other jurisdictions] or of any regulation thereunder;
  - (iii) observe and perform all the requirements of the Licences, of the *Forest Act* [or other legislation in other jurisdictions], and any government regulations relating to logging and fire protection and will dispose of slash to the satisfaction of the responsible ministry;
  - (iv) conduct all logging and related operations in a manner to preserve and maintain in good standing the Licenses, and all of the rights and privileges attached to the Licenses and, without limitation, so as to enable the licensee to recover any refundable deposit paid under the Licenses; and
  - (i) should the Licenses involve products not falling within the forestry industry, comply with all applicable laws and regulations, pay all costs and assessments required by the responsible ministry and take all steps necessary to preserve and maintain in good standing the Licenses.

## PERSONAL PROPERTY REGISTRY SEARCH RESULT

This is Exhibit "F" referred to in the  
affidavit of R. Francisco  
Sworn before me at Calgary  
In the province of Alberta  
this 14 day of September 2023

C. McConnell

A Commissioner of oaths and Notary Public in and for the Province of AB

Exp. Oct. 3/24 C. McConnell



**PERSONAL PROPERTY REGISTRY SEARCH RESULT**  
BC Registries and Online Services

**Business Debtor - "Beyond The Grape On Premise Winemaking Ltd."**

Search Date and Time: August 30, 2023 at 8:45:02 am Pacific time  
Account Name: MCMILLAN DUBO LLP  
Folio Number: 1201-147 F2

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17 Matches in 12 Registrations in Report

Exact Matches: 16 (\*)

Total Search Report Pages: 35

	<b>Base Registration</b>	<b>Base Registration Date</b>	<b>Debtor Name</b>	<b>Page</b>
1	<a href="#">312498L</a>	February 11, 2019	* BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.	<a href="#">3</a>
2	<a href="#">533153L</a>	May 29, 2019	* BEYOND THE GRAPE ON PREMISE WINEMAKING LTD. * BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.	<a href="#">5</a>
3	<a href="#">536834L</a>	May 31, 2019	* BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.	<a href="#">7</a>
4	<a href="#">744557L</a>	September 4, 2019	* BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.	<a href="#">9</a>
5	<a href="#">984130L</a>	January 3, 2020	* BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.	<a href="#">11</a>
6	<a href="#">984138L</a>	January 3, 2020	* BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.	<a href="#">13</a>
7	<a href="#">003394M</a>	January 14, 2020	* BEYOND THE GRAPE ON PREMISE WINEMAKING * BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.	<a href="#">15</a>
8	<a href="#">019962M</a>	January 23, 2020	* BEYOND THE GRAPE ON PREMISE WINEMAKING LTD	<a href="#">20</a>
9	<a href="#">020445M</a>	January 23, 2020	* BEYOND THE GRAPE ON - PREMISE WINEMAKING LTD. * BEYOND THE GRAPE ON - PREMISE WINEMAKING LTD. * BEYOND THE GRAPE ON PREMISE WINEMAKING LTD. * BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.	<a href="#">24</a>
10	<a href="#">128008M</a>	March 19, 2020	BEYONCE THE GRAPE ON PREMISE WINE MAKING LTD.	<a href="#">28</a>



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

11	<a href="#">131887M</a>	March 20, 2020	* BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.	<a href="#">31</a>
12	<a href="#">863007N</a>	July 15, 2022	* BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.	<a href="#">34</a>



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 312498L**

**Registration Description:** PPSA SECURITY AGREEMENT  
**Act:** PERSONAL PROPERTY SECURITY ACT  
**Base Registration Date and Time:** February 11, 2019 at 12:31:00 pm Pacific time  
**Current Expiry Date and Time:** February 11, 2025 at 11:59:59 pm Pacific time  
 Expiry date includes subsequent registered renewal(s)  
**Trust Indenture:** No

### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:45:02 am Pacific time)

#### Secured Party Information

**DE LAGE LANDEN FINANCIAL  
SERVICES CANADA INC.**

**Address**

3450 SUPERIOR COURT, UNIT 1  
OAKVILLE ON  
L6L 0C4 Canada

#### Debtor Information

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD.**

**Address**

3030 SAINT JOHNS STREET  
PORT MOODY BC  
V3H 2C5 Canada

#### Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2009	CROWN // SC4520-30	9A166577



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### General Collateral

#### Base Registration General Collateral:

ALL GOODS OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE IDENTIFICATION NUMBER OR SERIAL NUMBER, AS APPLICABLE, WHEREVER SITUATED, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM. PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY WHICH IS DERIVED, DIRECTLY OR INDIRECTLY, FROM ANY DEALING WITH OR DISPOSITION OF THE ,ABOVE-DESCRIBED COLLATERAL, INCLUDING WITHOUT LIMITATION, ALL INSURANCE AND OTHER PAYMENTS PAYABLE AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE THERETO, ACCOUNTS, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE ABOVE-DESCRIBED COLLATERAL, GOODS, CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, CHEQUES, DEPOSITS, SECURITIES AND INTANGIBLES.

### Original Registering Party

**DE LAGE LANDEN FINANCIAL  
SERVICES CANADA INC.**

#### Address

3450 SUPERIOR COURT, UNIT 1  
OAKVILLE ON  
L6L 0C4 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 533153L**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	May 29, 2019 at 2:45:55 pm Pacific time
<b>Current Expiry Date and Time:</b>	May 29, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:45:02 am Pacific time)

#### Secured Party Information

**ROYAL BANK OF CANADA**

**Address**

36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON  
M2P 0A4 Canada

#### Debtor Information

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD.**

**Address**

3044 ST JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD.**

**Address**

3039 SPRING STREET  
PORT MOODY BC  
V3H 4B6 Canada

#### Vehicle Collateral

None



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### General Collateral

#### Base Registration General Collateral:

GOODS OF THE DEBTOR BEING EQUIPMENT AND LEASEHOLD IMPROVEMENTS USED IN THE OPERATION OF THE BUSINESS OF THE DEBTOR LOCATED AT 3044 ST JOHNS ST PORT MOODY BC CANADA V3H2C5 AND 3039 SPRING STREET PORT MOODY BC CANADA V3H4B6 AND ALL FIXTURES, BUILDING MATERIALS, PARTS, COMPONENTS, ATTACHMENTS, ADDITIONS, ALTERATIONS, ACCESSORIES, ACCESSIONS, IMPROVEMENTS AND OTHER PERSONAL PROPERTY PLACED ON, ADDED TO OR APPURTENANT THERETO (HEREINAFTER COLLECTIVELY REFERRED TO AS THE GOODS). AND ALL DEEDS, DOCUMENTS, WRITINGS, PAPERS AND BOOKS RELATING TO OR BEING ,RECORDS OF THE GOODS OR THEIR PROCEEDS OR BY WHICH THE GOODS OR THEIR PROCEEDS ARE OR MAY HEREAFTER BE SECURED, EVIDENCED, ACKNOWLEDGED OR MADE PAYABLE INCLUDING DOCUMENTS OF TITLE, CHATTEL PAPER, SECURITIES AND INSTRUMENTS, AND ALL CONTRACTUAL RIGHTS AND INSURANCE CLAIMS RELATING TO THE ,GOODS. PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY THAT MAY BE DERIVED FROM THE SALE OR OTHER DISPOSITION OF THE GOODS, INCLUDING INVENTORY, EQUIPMENT, INTANGIBLES, MONEY, CHATTEL PAPERS, DOCUMENTS OF TITLE, SECURITIES, LICENCES, CROPS AND INSTRUMENTS.

### Original Registering Party

**ROYAL BANK OF CANADA**

#### Address

36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON  
M2P 0A4 Canada





## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 536834L**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	May 31, 2019 at 6:26:07 am Pacific time
<b>Current Expiry Date and Time:</b>	May 31, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:45:02 am Pacific time)

#### Secured Party Information

**ROYAL BANK OF CANADA**

**Address**

36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON  
M2P 0A4 Canada

#### Debtor Information

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD.**

**Address**

3044 ST JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

#### Vehicle Collateral

None



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### General Collateral

#### Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHEREVER SITUATE INCLUDING BUT NOT LIMITED TO GOODS (INCLUDING INVENTORY, EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANTS, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER ,NATURE AND KIND), BUT EXCLUDING CONSUMER GOODS) CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES, MONEY, LICENCES, CROPS, SECURITIES AND OTHER INVESTMENT PROPERTY.

### Original Registering Party

**ROYAL BANK OF CANADA**

#### Address

36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON  
M2P 0A4 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 744557L**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	September 4, 2019 at 1:42:31 pm Pacific time
<b>Current Expiry Date and Time:</b>	September 4, 2032 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:45:02 am Pacific time)

#### Secured Party Information

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Address**

1500 - 1133 MELVILLE STREET  
VANCOUVER BC  
V6E 4E5 Canada

#### Debtor Information

**BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.**

**Address**

3044 ST. JOHNS STREET  
PORT MOODY BC  
V3H 2C5 Canada

**FRASER MILLS FERMENTATION COMPANY LTD.**

**Address**

3044 ST. JOHNS STREET  
PORT MOODY BC  
V3H 2C5 Canada

#### Vehicle Collateral

None



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### General Collateral

#### Base Registration General Collateral:

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

### Original Registering Party

**WATERSTONE LAW GROUP LLP**

#### Address

202 - 32625 SOUTH FRASER WAY  
ABBOTSFORD BC  
V2T 1X8 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 984130L**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	January 3, 2020 at 10:20:32 am Pacific time
<b>Current Expiry Date and Time:</b>	January 3, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:45:02 am Pacific time)

#### Secured Party Information

**MERIDIAN ONECAP CREDIT CORP.**

**Address**

SUITE 1500, 4710 KINGSWAY  
BURNABY BC  
V5H 4M2 Canada

#### Debtor Information

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD.**

**Address**

3044 ST. JOHNS STREET  
PORT MOODY BC  
V3H 2C5 Canada

#### Vehicle Collateral

None



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### General Collateral

#### Base Registration General Collateral:

FURNACE AND AC UNIT(S), HVAC EQUIPMENT(S), PLUMBING EQUIPMENT(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER ,PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

### Original Registering Party

**AVS SYSTEMS INC.**

#### Address

201-1325 POLSON DR.  
VERNON BC  
V1T 8H2 Canada

**PERSONAL PROPERTY REGISTRY SEARCH RESULT**

BC Registries and Online Services

**Base Registration Number: 984138L**

**Registration Description:** PPSA SECURITY AGREEMENT  
**Act:** PERSONAL PROPERTY SECURITY ACT  
**Base Registration Date and Time:** January 3, 2020 at 10:25:35 am Pacific time  
**Current Expiry Date and Time:** January 3, 2026 at 11:59:59 pm Pacific time  
Expiry date includes subsequent registered renewal(s)  
**Trust Indenture:** No

**CURRENT REGISTRATION INFORMATION**

(as of August 30, 2023 at 8:45:02 am Pacific time)

**Secured Party Information**

**MERIDIAN ONECAP CREDIT CORP.**      **Address**  
SUITE 1500, 4710 KINGSWAY  
BURNABY BC  
V5H 4M2 Canada

**Debtor Information**

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD.**      **Address**  
3044 ST. JOHNS STREET  
PORT MOODY BC  
V3H 2C5 Canada

**Vehicle Collateral**

None

**General Collateral****Base Registration General Collateral:**

THIS SALE OF GOODS REGISTRATION COVERS THE EQUIPMENT LISTED ON BASE REGISTRATION  
#984130L



**PERSONAL PROPERTY REGISTRY SEARCH RESULT**  
BC Registries and Online Services

**Original Registering Party**

**AVS SYSTEMS INC.**

**Address**

201-1325 POLSON DR.  
VERNON BC  
V1T 8H2 Canada





## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 003394M**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	January 14, 2020 at 7:15:42 am Pacific time
<b>Current Expiry Date and Time:</b>	January 14, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

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### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:45:02 am Pacific time)

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#### Secured Party Information

**BLUE CHIP LEASING  
CORPORATION**

**Address**

156 DUNCAN MILL RD, UNIT 16  
TORONTO ON  
M3B 3N2 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### Debtor Information

**MACKERRICHER, IAN DONALD**

**Address**

421 CARLSEN PLACE  
PORT MOODY BC  
V3H 4A1 Canada

**Birthdate**

March 8, 1980

**MACKERRICHER, IAN**

**Address**

421 CARLSEN PLACE  
PORT MOODY BC  
V3H 4A1 Canada

**Birthdate**

March 8, 1980

**DRUCE, MICHAEL**

**Address**

590 CARLSEN PLACE  
PORT MOODY BC  
V3H 3Z8 Canada

**Birthdate**

March 10, 1976

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD.**

**Address**

3044 ST. JOHNS STREET  
PORT MOODY BC  
V3H 2C5 Canada

**DRUCE, MICHAEL EDWARD**

**Address**

590 CARLSEN PLACE  
PORT MOODY BC  
V3H 3Z8 Canada

**Birthdate**

March 10, 1976

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING**

**Address**

3044 ST. JOHNS STREET  
PORT MOODY BC  
V3H 2C5 Canada

### Vehicle Collateral

None



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### General Collateral

January 15, 2020 at 1:35:58 pm Pacific time

DELETED

ALL RESTAURANT EQUIPMENT OF EVERY NATURE OR KIND, FINANCED BY THE

ADDED

OF TITLE, INVENTORY, INSTRUMENTS, MONEY, INTANGIBLES AND SECURITIES (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS. ,ALL RESTAURANT EQUIPMENT OF EVERY NATURE OR KIND, FINANCED BY THE SECURED PARTY, AS LESSOR, TO THE DEBTOR , AS LESSEE, PURSUANT TO A SECURITY AGREEMENT 60410 (103877), AS AMENDED FROM TIME TO TIME, INCLUDING : FABRICATE 5 STAINLESS ROLLING CART SHELVING WITH LOCKING CASTORS, BATES ACCENT STOOL (30PCS), CHAMPION MOYER DIEBEL CANADAGLASSWASHER, ROTARY, 25\ CABINET, 208-230V/60/1-PH, 15.0 AMPS, NEMA 6-15P, STANDARD, DRAIN TRAY & WASTE COLLECTOR, APPLE IPAD WIFI, 32GB (2 PCS), ENCLOSURE FOR IPAD VAULT (2PCS), RECEIPT PRINTER TSP143L BLACK THERMAL STAR MICRONICS, CASH DRAWER, 16\X16\ STAR MICRONICS (2 PCS), IPAD STAND VAULT (2PCS), TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL; OR PROCEEDS THEREOF. PROCEEDS: ACCOUNTS, CHATTEL PAPER, GOODS, DOCUMENTS

#### Base Registration General Collateral:

ALL RESTAURANT EQUIPMENT OF EVERY NATURE OR KIND, FINANCED BY THE SECURED PARTY, AS LESSOR, TO THE DEBTOR , AS LESSEE, PURSUANT TO A SECURITY AGREEMENT 60410 (103877), AS AMENDED FROM TIME TO TIME, INCLUDING : OFFICE DESK, WALL CABINETS, RETAIL DESK 72\, M-3 (BENCH SEAT X2), BARREL SEATS (10 PCS), M-9 (SLED CHAIRS 3 PCS), M-10 (TABLE ,TOPS 8 PCS), F-7 (TABLES 7 PCS), STAFF ROOM, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL; OR PROCEEDS THEREOF. PROCEEDS: ACCOUNTS, CHATTEL PAPER, GOODS, DOCUMENTS OF TITLE, INVENTORY, INSTRUMENTS, MONEY, INTANGIBLES AND ,SECURITIES (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS.

### Original Registering Party

AVS SYSTEMS INC.

#### Address

201-1325 POLSON DR.  
VERNON BC  
V1T 8H2 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### HISTORY

(Showing most recent first)

#### AMENDMENT

**Registration Date and Time:** February 26, 2020 at 11:53:31 am Pacific time  
**Registration Number:** 083365M  
**Description:** AMEND DEBTOR FROM: BEYOND THE GRAPE ON PREMISE WINEMAKING LTD 3044 ST. JOHNS STREET PORT MOODY, BC, V3H2C5 TO: BEYOND THE GRAPE ON PREMISE WINEMAKING LTD. 3044 ST. JOHNS STREETPORT MOODY, BC, V3H2C5 ADD DEBTOR: MICHAEL EDWARD DRUCE (590 CARLSEN PLACE) ADD DEBTOR: BEYOND THE GRAPE ON PREMISE WINEMAKING (3044 ST. JOHNS STREET)

#### Debtor Information

**BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.**  
*(Formerly BEYOND THE GRAPE ON PREMISE WINEMAKING LTD)*  
 NAME CHANGED

**Address**  
 3044 ST. JOHNS STREET  
 PORT MOODY BC  
 V3H 2C5 Canada

**DRUCE, MICHAEL EDWARD**  
 ADDED

**Address**  
 590 CARLSEN PLACE  
 PORT MOODY BC  
 V3H 3Z8 Canada

**Birthdate**  
 March 10, 1976

**BEYOND THE GRAPE ON PREMISE WINEMAKING**  
*(Formerly BEYOND THE GRAPE ON PREMISE WINEMAKING LTD)*  
 ADDED

**Address**  
 3044 ST. JOHNS STREET  
 PORT MOODY BC  
 V3H 2C5 Canada

#### Registering Party Information

**AVS SYSTEMS INC.**

**Address**  
 201-1325 POLSON DR.  
 VERNON BC  
 V1T 8H2 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### AMENDMENT

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**Registration Date and Time:** January 15, 2020 at 1:35:58 pm Pacific time  
**Registration Number:** 006771M  
**Description:** AMEND GENERAL COLLATERAL

#### General Collateral

January 15, 2020 at 1:35:58 pm Pacific time

##### DELETED

ALL RESTAURANT EQUIPMENT OF EVERY NATURE OR KIND, FINANCED BY THE

##### ADDED

OF TITLE, INVENTORY, INSTRUMENTS, MONEY, INTANGIBLES AND SECURITIES (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS. ,ALL RESTAURANT EQUIPMENT OF EVERY NATURE OR KIND, FINANCED BY THE SECURED PARTY, AS LESSOR, TO THE DEBTOR , AS LESSEE, PURSUANT TO A SECURITY AGREEMENT 60410 (103877), AS AMENDED FROM TIME TO TIME, INCLUDING : FABRICATE 5 STAINLESS ROLLING CART SHELVING WITH LOCKING CASTORS, BATES ACCENT STOOL (30PCS), CHAMPION MOYER DIEBEL CANADAGLASSWASHER, ROTARY, 25\ CABINET, 208-230V/60/1-PH, 15.0 AMPS, NEMA 6-15P, STANDARD, DRAIN TRAY & WASTE COLLECTOR, APPLE IPAD WIFI, 32GB (2 PCS), ENCLOSURE FOR IPAD VAULT (2PCS), RECEIPT PRINTER TSP143L BLACK THERMAL STAR MICRONICS, CASH DRAWER, 16\X16\ STAR MICRONICS (2 PCS), IPAD STAND VAULT (2PCS), TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL; OR PROCEEDS THEREOF. PROCEEDS: ACCOUNTS, CHATTEL PAPER, GOODS, DOCUMENTS

#### Registering Party Information

**AVS SYSTEMS INC.**

##### Address

201-1325 POLSON DR.  
 VERNON BC  
 V1T 8H2 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 019962M**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	January 23, 2020 at 10:40:51 am Pacific time
<b>Current Expiry Date and Time:</b>	January 23, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

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### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:45:02 am Pacific time)

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#### Secured Party Information

**XPEDITE LEASING INC.**

**Address**

#215, 625 PARSONS RD SW  
EDMONTON AB  
T6X 0N9 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### Debtor Information

<b>DRUCE, MICHAEL EDWARD</b>	<b>Address</b> 590 CARLSEN PL PORT MOODY BC V3H 3Z8 Canada	<b>Birthdate</b> March 10, 1976
<b>MACKERRICHER, IAN DONALD</b>	<b>Address</b> 421 CARLSEN PL PORT MOODY BC V3H 4A1 Canada	<b>Birthdate</b> March 8, 1980
<b>BEYOND THE GRAPE ON PREMISE WINEMAKING LTD</b>	<b>Address</b> 3044 ST. JOHNS STREET PORT MOODY BC V3H 2C5 Canada	
<b>FRASER MILLS FERMENTATION COMPANY</b>	<b>Address</b> 3044 ST. JOHNS STREET PORT MOODY BC V3H 2C5 Canada	

### Vehicle Collateral

None

### General Collateral

#### Base Registration General Collateral:

ALL OFFICE FURNITURE EQUIPMENT LISTED ON BOS-301753 LEASED TO THE DEBTOR FROM THE SECURED PARTY PURSUANT TO LEASE AGREEMENT NUMBER 301753, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ADDITIONS, REPLACEMENTS, OR SUBSTITUTIONS THERETO AND ALL PROCEEDS THEREOF, INCLUDING BUT NOT LIMITED TO, GOODS, INTANGIBLES, DOCUMENTS OF TITLE, CHATTEL PAPER, MONEY AND INSURANCE PROCEEDS.



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### Original Registering Party

**(REGISTRY=RECOVERY) TM INC.**

#### Address

1551 THE QUEENSWAY  
TORONTO ON  
M8Z 1T8 Canada





## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### HISTORY

(Showing most recent first)

#### AMENDMENT

**Registration Date and Time:** January 24, 2020 at 7:12:51 am Pacific time  
**Registration Number:** 021541M  
**Description:** DEBTOR 1: POSTAL CODE AMEND TO V3H 2C5 DEBTOR 2: POSTAL CODE AMEND TO V3H 2C5

#### Debtor Information

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD**

ADDRESS CHANGED

#### Address

3044 ST. JOHNS STREET  
PORT MOODY BC  
V3H 2C5 Canada

**FRASER MILLS FERMENTATION  
COMPANY**

ADDRESS CHANGED

#### Address

3044 ST. JOHNS STREET  
PORT MOODY BC  
V3H 2C5 Canada

#### Registering Party Information

**(REGISTRY=RECOVERY) TM INC.**

#### Address

1551 THE QUEENSWAY  
TORONTO ON  
M8Z 1T8 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 020445M**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	January 23, 2020 at 1:03:18 pm Pacific time
<b>Current Expiry Date and Time:</b>	January 23, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

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### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:45:02 am Pacific time)

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#### Secured Party Information

**VAULT CREDIT CORPORATION**

**Address**

41 SCARSDALE ROAD UNIT 5  
TORONTO ON  
M3B 2R2 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### Debtor Information

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD.**

**Address**

3030 ST. JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

**BEYOND THE GRAPE ON - PREMISE  
WINEMAKING LTD.**

**Address**

3030 ST. JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD.**

**Address**

3044 ST. JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

**BEYOND THE GRAPE ON - PREMISE  
WINEMAKING LTD.**

**Address**

3044 ST. JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

**FRASER MILLS FERMENTATION  
COMPANY**

**Address**

3044 ST. JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

**FRASER MILLS FERMENTATION  
COMPANY**

**Address**

3030 ST. JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

**DRUCE, MICHAEL**

**Address**

590 CARLSEN PL  
PORT MOODY BC  
V3H 3Z8 Canada

**Birthdate**

March 10, 1976



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**DRUCE, MIKE**

**Address**

590 CARLSEN PL  
PORT MOODY BC  
V3H 3Z8 Canada

**Birthdate**

March 10, 1976

**MACKERRICHER, IAN DONALD**

**Address**

421 CARLSEN PL  
PORT MOODY BC  
V3H 4A1 Canada

**Birthdate**

March 8, 1980

**MACKERRICHER, IAN**

**Address**

421 CARLSEN PL  
PORT MOODY BC  
V3H 4A1 Canada

**Birthdate**

March 8, 1980

### Vehicle Collateral

None

### General Collateral

**Base Registration General Collateral:**

ALL RESTAURANT EQUIPMENT AND LED TV, TOGETHER WITH ALL GOODS OF EVERY NATURE OR KIND, FINANCED BY THE SECURED PARTY TO THE DEBTOR AND AS AMENDED FROM TIME TO TIME, TOGETHER WITH ANY AND ALL PAST, PRESENT AND FUTURE ACQUIRED PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, ADDITIONS, SUBSTITUTIONS, IMPROVEMENTS, REPAIR AND REPLACEMENT PARTS AND OTHER EQUIPMENT PLACED ON OR FORMING PART OF THE GOODS DESCRIBED HEREIN AND ANY AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL OR PROCEEDS THEREOF AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT TAKING ,INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, INCLUDING ALL GOODS, SECURITIES, INSTRUMENTS DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT), RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENT AS INDEMNITY OR ,COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.



**PERSONAL PROPERTY REGISTRY SEARCH RESULT**  
BC Registries and Online Services

**Original Registering Party**

**VAULT CREDIT CORPORATION**

**Address**

41 SCARSDALE ROAD UNIT 5  
TORONTO ON  
M3B 2R2 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 128008M**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	March 19, 2020 at 7:46:11 am Pacific time
<b>Current Expiry Date and Time:</b>	March 19, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:45:02 am Pacific time)

#### Secured Party Information

<b>CWB NATIONAL LEASING INC.</b>	<b>Address</b>
	1525 BUFFALO PLACE WINNIPEG MB R3T 1L9 Canada

#### Debtor Information

<b>BEYONCE THE GRAPE ON PREMISE WINE MAKING LTD.</b>	<b>Address</b>
	3044 ST. JOHNS STREET PORT MOODY BC V3H 2C5 Canada

<b>FRASER MILLS FERMENTATION COMPANY</b>	<b>Address</b>
	3044 ST. JOHNS STREET PORT MOODY BC V3H 2C5 Canada

#### Vehicle Collateral

None



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### General Collateral

March 23, 2020 at 12:57:29 pm Pacific time

ADDED

AMENDING AGREEMENT NUMBER FROM 2968695 TO 2985273

#### Base Registration General Collateral:

ALL 3 HEAD SEMI AUTOMATIC KEG WASHER, BEER TAPS SYSTEM, STAINLESS STEEL CASK 4.5 GALLON, STEAMER MACHINE, BREWING TABLE, BEER TAPS SYSTEM, RUBBER BREWER HOSE WITH TC END OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2968695, BETWEEN ATTICUS FINANCIAL INC., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH ,AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.

### Original Registering Party

**CWB NATIONAL LEASING INC.**

**Address**

1525 BUFFALO PLACE  
WINNIPEG MB  
R3T 1L9 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

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### HISTORY

(Showing most recent first)

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#### COLLATERAL ADDITION

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**Registration Date and Time:** March 23, 2020 at 12:57:29 pm Pacific time  
**Registration Number:** 134843M

#### General Collateral

March 23, 2020 at 12:57:29 pm Pacific time

ADDED

AMENDING AGREEMENT NUMBER FROM 2968695 TO 2985273

#### Registering Party Information

<b>CWB NATIONAL LEASING INC.</b>	<b>Address</b>
	1525 BUFFALO PLACE
	WINNIPEG MB
	R3T 1L9 Canada





**PERSONAL PROPERTY REGISTRY SEARCH RESULT**  
BC Registries and Online Services

**Base Registration Number: 131887M**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	March 20, 2020 at 12:38:04 pm Pacific time
<b>Current Expiry Date and Time:</b>	March 20, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

**CURRENT REGISTRATION INFORMATION**  
(as of August 30, 2023 at 8:45:02 am Pacific time)

**Secured Party Information**

<b>NORTH KEGS CORP</b>	<b>Address</b>
	216-2222 S SHERIDAN WAY MISSISSAUGA ON L5J 2M4 Canada

**Debtor Information**

<b>BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.</b>	<b>Address</b>
	3044 ST JOHNS STREET PORT MOODY BC V3H 2C5 Canada

**Vehicle Collateral**

None



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### General Collateral

#### Base Registration General Collateral:

NORTH KEGS AGREES TO LEASE TO THE LESSEE, AND THE LESSEE AGREES TO LEASE FROM NORTH KEGS, THE KEGS, INDIVIDUALLY CALLED A KEG AND COLLECTIVELY CALLED THE KEG, DESCRIBED IN EACH SCHEDULE EXECUTED FROM TIME TO TIME PURSUANT TO THIS MASTER AGREEMENT AND SUBSTANTIALLY IN THE FORM ATTACHED HERETO AS EXHIBIT A, A SCHEDULE, OR SUCH OTHER FORM AS THE PARTIES MAY AGREE. EACH LEASE OF KEGS DESCRIBED IN A SCHEDULE, A LEASE, SHALL INCORPORATE ALL OF THE TERMS AND CONDITIONS OF THIS MASTER AGREEMENT, SHALL CONTAIN SUCH ADDITIONAL TERMS AS THE LESSEE AND NORTH KEGS SHALL AGREE UPON, AND SHALL CONSTITUTE AN AGREEMENT SEPARATE AND DISTINCT FROM THIS MASTER ,AGREEMENT AND ANY OTHER LEASE. IN THE EVENT OF A CONFLICT BETWEEN THE PROVISIONS OF THIS MASTER AGREEMENT AND ANY LEASE, THE PROVISIONS OF THE LEASE SHALL PREVAIL WITH RESPECT TO THAT LEASE. 1.2 IT IS EXPRESSLY UNDERSTOOD THAT THE KEGS ARE, AND SHALL AT ALL TIMES REMAIN, PERSONAL PROPERTY OF NORTH KEGS. THE LESSEE SHALL HAVE ,NO RIGHT, TITLE OR INTEREST IN THE KEGS EXCEPT AS EXPRESSLY PROVIDED HEREIN. NORTH KEGS MAY APPLY LABELS, PLATES OR OTHER MARKINGS TO THE KEGS STATING THAT THE KEGS ARE OWNED BY NORTH KEGS, AND THE LESSEE SHALL NOT REMOVE THOSE LABELS, PLATES OR OTHER MARKINGS. FRANKE BLEFA STAINLESS STEEL KEGS, MANUFACTURED IN GERMANY WITH ,SANKE D VALVE TOTAL 17,232.00  
 FRANKE007561312 FRANKE007561448 FRANKE007561180 ,FRANKE007561435 FRANKE007561233  
 FRANKE007561785 FRANKE007561366 FRANKE007561787 ,FRANKE007561314 FRANKE007561212  
 FRANKE007561772 FRANKE007561792 FRANKE007561198 ,FRANKE007561368 FRANKE007561793  
 FRANKE007561786 FRANKE007561195 FRANKE007561190 ,FRANKE007561776 FRANKE007561199  
 FRANKE007561802 FRANKE007561311 FRANKE007561788 ,FRANKE007561447 FRANKE007561209  
 FRANKE007561789 FRANKE007561797 FRANKE007561215 ,FRANKE007561171 FRANKE007561192  
 FRANKE007561795 FRANKE007561206 FRANKE007561780 ,FRANKE007561289 FRANKE007561204  
 FRANKE007561769 FRANKE007561799 FRANKE007561292 ,FRANKE007561213 FRANKE007561175  
 FRANKE007561796 FRANKE007561771 FRANKE007561770 ,FRANKE007561407 FRANKE007561768  
 FRANKE007561346 FRANKE007561283 FRANKE007561290 ,FRANKE007561214 FRANKE007561748  
 FRANKE007561318 FRANKE007561194 FRANKE007561781 ,FRANKE007561383 FRANKE007561784  
 FRANKE007561183 FRANKE007561466 FRANKE007561203 ,FRANKE007561310 FRANKE007561783  
 FRANKE006947814 FRANKE006947685 FRANKE006947686 ,FRANKE006947813 FRANKE006947802  
 FRANKE006947651 FRANKE006948013 FRANKE006947796 ,FRANKE006947763 FRANKE006948098  
 FRANKE006947647 FRANKE006947641 FRANKE006947770 ,FRANKE006947654 FRANKE006947666  
 FRANKE006947780 FRANKE006948106 FRANKE006947760 ,FRANKE006947759 FRANKE006947687  
 FRANKE006947645 FRANKE006948103 FRANKE006947636 ,FRANKE006947648 FRANKE006948246  
 FRANKE006947792 FRANKE006948249 FRANKE006947679 ,FRANKE006948254 FRANKE006948232  
 FRANKE006948264 FRANKE006948244 FRANKE006947789 ,FRANKE006947678 FRANKE006947812  
 FRANKE006948258 FRANKE006948130 FRANKE006948227 ,FRANKE006948253 FRANKE006948247  
 FRANKE006948256 FRANKE006947727 FRANKE006947806 ,FRANKE006947797 FRANKE006948237  
 FRANKE006948250 FRANKE006948245 FRANKE006947809 ,FRANKE006591741 FRANKE006947710



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

FRANKE006591361 FRANKE006948251 FRANKE006591720 ,FRANKE006591743 FRANKE006948239  
 FRANKE006947744 FRANKE006591731 FRANKE006591660 ,FRANKE006948240 FRANKE006948234  
 FRANKE006947788 FRANKE006948255 FRANKE006948228 ,FRANKE006947706 FRANKE006947778  
 FRANKE006947790 FRANKE006947787 FRANKE006947683 ,FRANKE006947795 FRANKE006947736  
 FRANKE006947693 FRANKE006591714 FRANKE006591751 ,FRANKE006947726 FRANKE006948090  
 FRANKE006591700 FRANKE006591728 FRANKE006947739 ,FRANKE006947718 FRANKE006591740  
 FRANKE006948126 FRANKE006947738 FRANKE006947642 ,FRANKE006591725 FRANKE006947723  
 FRANKE006947731 FRANKE006947644 FRANKE006947684 ,FRANKE006947747 FRANKE006947713  
 FRANKE006947719 FRANKE006947750 FRANKE006947733 ,FRANKE006947725 FRANKE006947729  
 FRANKE006947752

### Original Registering Party

**NORTH KEGS CORP**

#### Address

216-2222 S SHERIDAN WAY  
 MISSISSAUGA ON  
 L5J 2M4 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 863007N**

**Registration Description:** PPSA SECURITY AGREEMENT  
**Act:** PERSONAL PROPERTY SECURITY ACT  
**Base Registration Date and Time:** July 15, 2022 at 2:09:13 pm Pacific time  
**Current Expiry Date and Time:** July 15, 2027 at 11:59:59 pm Pacific time  
 Expiry date includes subsequent registered renewal(s)  
**Trust Indenture:** No

### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:45:02 am Pacific time)

#### Secured Party Information

**ELLE 3 IMPORTS LTD.**                      **Address**  
 407-1425 6TH AVE W  
 VANCOUVER BC  
 V6H 4G5 Canada

#### Debtor Information

**BEYOND THE GRAPE ON PREMISE  
 WINEMAKING LTD.**                      **Address**  
 3044 ST. JOHNS ST  
 PORT MOODY BC  
 V3H 2C5 Canada

**WALTON, CHRIS**                      **Address**                      **Birthdate**  
 28615 123 AVE  
 MAPLE RIDGE BC  
 V2W 1M1 Canada

#### Vehicle Collateral

None



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### General Collateral

#### Base Registration General Collateral:

WG 3-Evolution Canning machine and related equipment and attachments, including but not limited to equipment bearing serial number WGC-0875, and attachments, accessories, and components including but not limited to: CAN-STD standard can size 12oz/16oz, IPTM Pres & Temp Monitor, IST-Evolution 1-5, RT-STD Standard Rinse Tunnel for WG1-5, SKA-DEPAL-Half Pint, 230v Three Phase, SKA-Rinse Cage - CIB, SKA Depal Twist Rinse, WG3 Evolution, WGC-Spares, PL-WG501 Pack Leader 501 #4 for WG, PL-WG501 Leg Extensions.

### Original Registering Party

**IRSC INTEGRATED RECOVERY  
SOLUTIONS CORP.**

#### Address

9669 186 ST  
SURREY BC  
V4N 3N8 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT
BC Registries and Online Services

Business Debtor - "Fraser Mills Fermentation Company Ltd."

Search Date and Time: August 30, 2023 at 8:48:15 am Pacific time
Account Name: MCMILLAN DUBO LLP
Folio Number: 1201-147 F2

TABLE OF CONTENTS

5 Matches in 4 Registrations in Report Exact Matches: 4 (\*) Total Search Report Pages: 14

Table with 4 columns: Base Registration, Base Registration Date, Debtor Name, Page. Contains 4 rows of search results.

This is Exhibit " G " referred to in the affidavit of R. Francisco Sworn before me at Calgary In the province of Alberta this 14 day of September 20 23 C. McConnell. Exp. Oct 3/24



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 744557L**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	September 4, 2019 at 1:42:31 pm Pacific time
<b>Current Expiry Date and Time:</b>	September 4, 2032 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:48:15 am Pacific time)

#### Secured Party Information

<b>BUSINESS DEVELOPMENT BANK OF CANADA</b>	<b>Address</b>
	1500 - 1133 MELVILLE STREET VANCOUVER BC V6E 4E5 Canada

#### Debtor Information

<b>BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.</b>	<b>Address</b>
	3044 ST. JOHNS STREET PORT MOODY BC V3H 2C5 Canada

<b>FRASER MILLS FERMENTATION COMPANY LTD.</b>	<b>Address</b>
	3044 ST. JOHNS STREET PORT MOODY BC V3H 2C5 Canada

#### Vehicle Collateral

None



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

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### General Collateral

#### Base Registration General Collateral:

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

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### Original Registering Party

**WATERSTONE LAW GROUP LLP**

#### Address

202 - 32625 SOUTH FRASER WAY  
ABBOTSFORD BC  
V2T 1X8 Canada





## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 019962M**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	January 23, 2020 at 10:40:51 am Pacific time
<b>Current Expiry Date and Time:</b>	January 23, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

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### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:48:15 am Pacific time)

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#### Secured Party Information

**XPEDITE LEASING INC.**

**Address**

#215, 625 PARSONS RD SW  
EDMONTON AB  
T6X 0N9 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### Debtor Information

**DRUCE, MICHAEL EDWARD**

**Address**

590 CARLSEN PL  
PORT MOODY BC  
V3H 3Z8 Canada

**Birthdate**

March 10, 1976

**MACKERRICHER, IAN DONALD**

**Address**

421 CARLSEN PL  
PORT MOODY BC  
V3H 4A1 Canada

**Birthdate**

March 8, 1980

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD**

**Address**

3044 ST. JOHNS STREET  
PORT MOODY BC  
V3H 2C5 Canada

**FRASER MILLS FERMENTATION  
COMPANY**

**Address**

3044 ST. JOHNS STREET  
PORT MOODY BC  
V3H 2C5 Canada

### Vehicle Collateral

None

### General Collateral

#### Base Registration General Collateral:

ALL OFFICE FURNITURE EQUIPMENT LISTED ON BOS-301753 LEASED TO THE DEBTOR FROM THE SECURED PARTY PURSUANT TO LEASE AGREEMENT NUMBER 301753, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ADDITIONS, REPLACEMENTS, OR SUBSTITUTIONS THERETO AND ALL PROCEEDS THEREOF, INCLUDING BUT NOT LIMITED TO, GOODS, INTANGIBLES, DOCUMENTS OF TITLE, CHATTEL PAPER, MONEY AND INSURANCE PROCEEDS.



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### Original Registering Party

(REGISTRY=RECOVERY) TM INC.

#### Address

1551 THE QUEENSWAY  
TORONTO ON  
M8Z 1T8 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### HISTORY

(Showing most recent first)

#### AMENDMENT

**Registration Date and Time:** January 24, 2020 at 7:12:51 am Pacific time  
**Registration Number:** 021541M  
**Description:** DEBTOR 1: POSTAL CODE AMEND TO V3H 2C5 DEBTOR 2:  
 POSTAL CODE AMEND TO V3H 2C5

#### Debtor Information

**BEYOND THE GRAPE ON PREMISE  
 WINEMAKING LTD**  
 ADDRESS CHANGED

**Address**  
 3044 ST. JOHNS STREET  
 PORT MOODY BC  
 V3H 2C5 Canada

**FRASER MILLS FERMENTATION  
 COMPANY**  
 ADDRESS CHANGED

**Address**  
 3044 ST. JOHNS STREET  
 PORT MOODY BC  
 V3H 2C5 Canada

#### Registering Party Information

**(REGISTRY=RECOVERY) TM INC.**

**Address**  
 1551 THE QUEENSWAY  
 TORONTO ON  
 M8Z 1T8 Canada



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 020445M**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	January 23, 2020 at 1:03:18 pm Pacific time
<b>Current Expiry Date and Time:</b>	January 23, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

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### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:48:15 am Pacific time)

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#### Secured Party Information

**VAULT CREDIT CORPORATION**

**Address**

41 SCARSDALE ROAD UNIT 5  
TORONTO ON  
M3B 2R2 Canada



**PERSONAL PROPERTY REGISTRY SEARCH RESULT**  
BC Registries and Online Services

**Debtor Information**

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD.**

**Address**

3030 ST. JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

**BEYOND THE GRAPE ON - PREMISE  
WINEMAKING LTD.**

**Address**

3030 ST. JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD.**

**Address**

3044 ST. JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

**BEYOND THE GRAPE ON - PREMISE  
WINEMAKING LTD.**

**Address**

3044 ST. JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

**FRASER MILLS FERMENTATION  
COMPANY**

**Address**

3044 ST. JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

**FRASER MILLS FERMENTATION  
COMPANY**

**Address**

3030 ST. JOHNS ST  
PORT MOODY BC  
V3H 2C5 Canada

**DRUCE, MICHAEL**

**Address**

590 CARLSEN PL  
PORT MOODY BC  
V3H 3Z8 Canada

**Birthdate**

March 10, 1976



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**DRUCE, MIKE**

**Address**

590 CARLSEN PL  
PORT MOODY BC  
V3H 3Z8 Canada

**Birthdate**

March 10, 1976

**MACKERRICHER, IAN DONALD**

**Address**

421 CARLSEN PL  
PORT MOODY BC  
V3H 4A1 Canada

**Birthdate**

March 8, 1980

**MACKERRICHER, IAN**

**Address**

421 CARLSEN PL  
PORT MOODY BC  
V3H 4A1 Canada

**Birthdate**

March 8, 1980

### Vehicle Collateral

None

### General Collateral

**Base Registration General Collateral:**

ALL RESTAURANT EQUIPMENT AND LED TV, TOGETHER WITH ALL GOODS OF EVERY NATURE OR KIND, FINANCED BY THE SECURED PARTY TO THE DEBTOR AND AS AMENDED FROM TIME TO TIME, TOGETHER WITH ANY AND ALL PAST, PRESENT AND FUTURE ACQUIRED PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, ADDITIONS, SUBSTITUTIONS, IMPROVEMENTS, REPAIR AND REPLACEMENT PARTS AND OTHER EQUIPMENT PLACED ON OR FORMING PART OF THE GOODS DESCRIBED HEREIN AND ANY AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL OR PROCEEDS THEREOF AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT TAKING ,INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, INCLUDING ALL GOODS, SECURITIES, INSTRUMENTS DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT), RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENT AS INDEMNITY OR ,COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.



**PERSONAL PROPERTY REGISTRY SEARCH RESULT**  
BC Registries and Online Services

**Original Registering Party**

**VAULT CREDIT CORPORATION**

**Address**

41 SCARSDALE ROAD UNIT 5  
TORONTO ON  
M3B 2R2 Canada





## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

**Base Registration Number: 128008M**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	March 19, 2020 at 7:46:11 am Pacific time
<b>Current Expiry Date and Time:</b>	March 19, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

### CURRENT REGISTRATION INFORMATION

(as of August 30, 2023 at 8:48:15 am Pacific time)

#### Secured Party Information

<b>CWB NATIONAL LEASING INC.</b>	<b>Address</b>
	1525 BUFFALO PLACE WINNIPEG MB R3T 1L9 Canada

#### Debtor Information

<b>BEYONCE THE GRAPE ON PREMISE WINE MAKING LTD.</b>	<b>Address</b>
	3044 ST. JOHNS STREET PORT MOODY BC V3H 2C5 Canada

<b>FRASER MILLS FERMENTATION COMPANY</b>	<b>Address</b>
	3044 ST. JOHNS STREET PORT MOODY BC V3H 2C5 Canada

#### Vehicle Collateral

None



## PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

### General Collateral

March 23, 2020 at 12:57:29 pm Pacific time

ADDED

AMENDING AGREEMENT NUMBER FROM 2968695 TO 2985273

#### Base Registration General Collateral:

ALL 3 HEAD SEMI AUTOMATIC KEG WASHER, BEER TAPS SYSTEM, STAINLESS STEEL CASK 4.5 GALLON, STEAMER MACHINE, BREWING TABLE, BEER TAPS SYSTEM, RUBBER BREWER HOSE WITH TC END OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2968695, BETWEEN ATTICUS FINANCIAL INC., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH ,AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.

### Original Registering Party

**CWB NATIONAL LEASING INC.**

#### Address

1525 BUFFALO PLACE  
WINNIPEG MB  
R3T 1L9 Canada

**PERSONAL PROPERTY REGISTRY SEARCH RESULT**

BC Registries and Online Services

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**HISTORY**(Showing most recent first)

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**COLLATERAL ADDITION**

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**Registration Date and Time:** March 23, 2020 at 12:57:29 pm Pacific time  
**Registration Number:** 134843M

**General Collateral**

March 23, 2020 at 12:57:29 pm Pacific time

ADDED

AMENDING AGREEMENT NUMBER FROM 2968695 TO 2985273

**Registering Party Information****CWB NATIONAL LEASING INC.****Address**1525 BUFFALO PLACE  
WINNIPEG MB  
R3T 1L9 Canada

## FORM C

RBC-BDC Form of Priority Agreement

Rev. August, 2012

BDC 1st on specific listed equipment and RBC 1st on all other personal property

**PRIORITY AGREEMENT WITH BDC**This is Exhibit "H" referred to in the affidavit of R. FranciscoSworn before me at CalgaryIn the province of Albertathis 14 day of September 2023C. McConnellA Commissioner of oaths and Notary Public in and for the Province of AB  
C. McConnell. Exp Oct 3/24

THIS AGREEMENT dated the 28th day of August, 2019.

**AMONG:****BUSINESS DEVELOPMENT BANK OF CANADA**, with a business centre at

Business Centre Address at Suite 370, 2755 Lougheed Highway, Port Coquitlam BC, V3B 5Y9

("BDC")

**AND:****ROYAL BANK OF CANADA** with a branch office atBranch Office Address 36 York Mills Road, 4<sup>th</sup> Floor, Toronto, ON, M2P 0A4

(the "Lender")

**AND:****BEYOND THE GRAPE ON PREMISES WINEMAKING LTD.**

Registered Head Office Address at 530 – 130 Brew Street, Port Moody, BC V3H 0E3

(the "Borrower")

**WHEREAS:**

A. The Borrower has granted or agreed to grant to BDC a registered security interest, in all or certain of the Borrower's present and after-acquired personal property, and/or such other security as BDC may from time to time receive from the Borrower to secure present and future debts and obligations of the Borrower to BDC (the "**BDC Security**");

B. The Borrower has granted or agreed to grant to the Lender a registered security interest, in all or certain of the Borrower's present and after-acquired personal property, and/or such other security as the Lender may from time to time receive from the Borrower to secure present and future debts and obligations of the Borrower to Lender (the "**Lender Security**");

C. The parties hereto have agreed to enter into this agreement in order to set out the respective priorities of the BDC Security and the Lender Security and to be applicable in respect of both present and future debts and obligations of the Borrower with BDC and the Lender;

**NOW THEREFORE** in consideration of the premises and other good and valuable consideration, the parties hereto covenant and agree as follows:

**FORM C**

RBC-BDC Form of Priority Agreement

Rev. August, 2012

BDC 1st on specific listed equipment and RBC 1st on all other personal property

**ARTICLE 1 - CONSENT**

- 1.01 BDC hereby acknowledges its consent to the creation and issue by the Borrower to the Lender of the Lender Security and to the incurring by the Borrower of the indebtedness secured thereby.
- 1.02 The Lender hereby acknowledges its consent to the creation and issue by the Borrower to BDC of the BDC Security and to the incurring by the Borrower of the indebtedness secured thereby.

**ARTICLE 2 - INTERPRETATION**

- 2.01 The preamble hereto forms an integral part of this Agreement.
- 2.02 In this Agreement, the following terms shall have the following meanings:
- (a) "**Lender Collateral**" means all present and after-acquired personal property of the Borrower, and the Proceeds thereof, other than the Listed Equipment;
  - (b) "**Listed Equipment**" means the Borrower's equipment listed on Schedule "A" attached hereto and the Proceeds thereof;
  - (c) "**PPSA**" means the applicable *Personal Property Security Act*;
  - (d) "**Proceeds**" shall have the meaning ascribed to such term pursuant to the PPSA;
  - (e) "**Secured Parties**" means BDC and the Lender, and a "**Secured Party**" means either one of them, and each of their respective successors and permitted assigns; and
  - (f) "**Security**" means, collectively, the BDC Security and/or the Lender Security.

**ARTICLE 3 - PRIORITIES**

- 3.01 Subject to the terms and conditions of this Agreement:
- (a) The BDC Security is hereby postponed and subordinated to the security constituted by the Lender Security with respect to the Lender Collateral, to the extent of the Borrower's indebtedness to the Lender from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Lender in connection therewith; and
  - (b) The Lender Security is hereby postponed and subordinated to the security constituted by the BDC Security with respect to the Listed Equipment, to the extent of the Borrower's indebtedness to BDC from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by BDC in connection therewith.
- 3.02 The subordinations and postponements herein shall apply in all events and circumstances regardless of:
- (a) the date of execution, attachment, registration or perfection of any security interest held by BDC or the Lender, or;
  - (b) the date of any advance or advances made to the Borrower by BDC or the Lender; or
  - (c) the date of default by the Borrower under any of the BDC Security or the Lender Security or the dates of crystallization of any floating charges held by BDC or the Lender; or

**FORM C**

RBC-BDC Form of Priority Agreement

Rev. August, 2012

BDC 1st on specific listed equipment and RBC 1st on all other personal property

- (d) any priority granted by any principle of law or any statute, including the PPSA.
- 3.03 Any Proceeds, including, without limitation, any insurance proceeds received by the Borrower or by BDC or the Lender in respect of the collateral charged by the BDC Security or the Lender Security shall be dealt with according to the preceding provisions hereof as though such Proceeds were paid or payable as Proceeds of realization of the collateral for which they compensate.
- 3.04 If any of the BDC Security or the Lender Security is found by a trustee in bankruptcy or a court of competent jurisdiction to be unenforceable, invalid, unregistered or unperfected, then the foregoing provisions of this Article 3 shall not apply to such security to the extent that such security is so found to be unenforceable, invalid, unregistered or unperfected as against a third party unless the secured party shall be diligently contesting such a claim before a court of competent jurisdiction.
- 3.05 Each of the parties hereto shall permit any of the other parties hereto and their employees, agents and contractors, access at all reasonable times to any property and assets of the Borrower upon which it has a prior charge or security interest in accordance with the terms hereof and to permit such other party to remove such property and assets from the premises of the Borrower at all reasonable times without interference, provided that such other party shall promptly repair any damage caused to the premises by the removal of any such property or assets.
- 3.06 With the exception of monies deposited in any accounts designated as trust accounts by the Borrower for the benefit of BDC, BDC shall not be entitled, notwithstanding anything to the contrary in this Agreement, to make a claim against any monies which are deposited in or disbursed from any account of the Borrower maintained with the Lender, except for monies deposited therein after the time the Lender has received written notice from BDC that it is enforcing the BDC Security against the Borrower and which are not subject to the security interest and priority of the Lender as set out and agreed to in this Agreement.
- 3.07 If any person, other than the Secured Parties, shall have a valid claim, right or interest in or to any of the present or after-acquired personal property of the Borrower which is subject to all or any part of the Security, or the Proceeds thereof, in priority to or on a parity with one of the Secured Parties but not in priority to or on a parity with the other Secured Party, then this Agreement shall not apply so as to diminish the rights (as such rights would have been but for this Agreement) of such other Secured Party to such property or the Proceeds thereof.
- 3.08 Nothing in this Agreement affects the priority of any security over the Borrower's real property interests held by BDC or the Lender. The real property interests of the Borrower are excluded from the operation of this agreement.
- 3.09 This Agreement is not intended to affect the priority of any third party claims and no such parties may benefit from anything contained herein.
- 3.10 Nothing in this Agreement shall affect the priority of purchase money security interests (as defined in the PPSA) properly perfected under the PPSA and hereafter acquired by BDC or the Lender in specific equipment of the Borrower.

**ARTICLE 4 - COVENANTS OF THE BORROWER**

- 4.01 The Borrower hereby confirms to and agrees with BDC and the Lender that so long as any of the indebtedness of the Borrower to BDC and the Lender remains outstanding, it shall stand

**FORM C**

RBC-BDC Form of Priority Agreement

Rev. August, 2012

BDC 1st on specific listed equipment and RBC 1st on all other personal property

possessed of its assets so charged for BDC and for the Lender in accordance with their respective interests and priorities as herein set out.

**ARTICLE 5- GENERAL**

- 5.01 From time to time upon request therefor BDC and the Lender may advise each other of the particulars of the indebtedness and liability of the Borrower to each other and all security held by each therefor.
- 5.02 BDC and the Lender each agree that it will not transfer or assign any of its security from the Borrower without first obtaining from the proposed assignee or transferee an agreement to be bound by the provisions of this Agreement and an acknowledgment that this Agreement shall apply to both financing advanced prior to and subsequent to the date of such assignment or transfer.
- 5.03 Prior to making any demand for payment on the Borrower or proceeding to enforce its security, BDC or the Lender, as the case may be, shall provide notice of such demand or enforcement to the other of them, provided, however, that neither shall be liable for any accidental omission to provide the said notice and further provided that nothing in this section is intended to waive or relieve against the specific notice requirements set out in section 3.06 of this Agreement.
- 5.04 Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed and delivered to the parties hereto as follows:
- for BDC: Suite 370, 2755 Lougheed Highway, Port Coquitlam, BC V3B 5Y9
- Attention: Business Centre Manager
- for the Lender: \_\_\_\_\_
- Attention: \_\_\_\_\_
- 5.05 Each of the Borrower, BDC and the Lender shall do, perform, execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the interests of this Agreement; provided however, that no consent of the Borrower shall be necessary to any amendment of the terms hereof by BDC and the Lender unless the interests of the Borrower are directly affected thereby.
- 5.06 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.
- 5.07 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 5.08 This Agreement shall be governed by and construed in accordance with the laws of the province in which the business centre of the BDC is located as described on page 1.

FORM C

RBC-BDC Form of Priority Agreement  
Rev. August, 2012

BDC 1st on specific listed equipment and RBC 1st on all other personal property

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hand(s) of their duly authorized officer(s) on the date first above written.

BUSINESS DEVELOPMENT BANK OF CANADA

Per: [Signature]  
Name: Muneeb Hassan  
Manager, Major Accounts

Per: [Signature]  
Name: Oana Constanti  
Manager, Business C

We have the authority to bind the Corporation.

ROYAL BANK OF CANADA

Per: [Signature]  
Name: Richard Zhang  
Title: Commercial Account Manager

I have the authority to bind the Corporation.

BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD.

Per: [Signature] IAN MACKERRICHER  
DIRECTOR  
Signing Officer, Title

I have the authority to bind the Corporation.



**SCHEDULE "A"**

**"Listed Equipment"**

To follow as attachments.

# EQUIPMENT & VEHICLE LIST OF:

Beyond The Grape On Premise Winemaking Ltd. 161146



List Approved by:

List Verified by:

Address: 3044 St Johns Street, Port Moody, BC V3H 2C5  
 Location of Assets:  Same as above; or

Date of Site Visit:

Date:

List Prepared by:

X

Signature of BDC Officer

X

Signature of Owner's Representative

ABACUS (00000-00)	OWNER OF THE EQUIPMENT	TYPE OF GOOD	QTY	DESCRIPTION (include manufacturer's name, machine capacity, etc.)	MODEL NUMBER	SERIAL NUMBER	YEAR OF Manuf.	YEAR OF Purchase	PURCHASE PRICE	FOR ITEMS NOT YET PAID IN FULL RECORD NAME OF CREDITOR AND AMOUNT (\$) OUTSTANDING	NB OF GOODS SOLD	DATE OF DISCHARGE (yyyy-mm-dd)	SAL PRH
161146-01	Borrower		1	Wild Goose Canning KKA Depal - half pint 12 oz 230V Three phase			2019	2019	\$26,500 USD				
			1	Wild Goose Canning WG 3 - Evolution			2019	2019	\$81,000 USD				
			1	Wild Goose Canning Pack Leader 501 84 for WG Power= 110 or 220 V			2019	2019	\$20,995 USD				
			1	Deutsche 10 BBL Brewhouse			2019	2019	\$470,434 USD				

1 Anton Paar Canada Inc.  
 107625 / 90273017 / AT (1)  
 CROXIG AT-LINE COMBINED AT-LINE  
 CO2 AND O2 METER FOR BEVERAGES  
 Sera No.: ( 82863043 )



## ORDER CONFIRMATION

### Michael Druce (Fraser Mills) Ska post fill

**Sales Order No:** SO-1850  
**Sales Order Date:** 05/28/2019  
**Project Manager:** Alex Fetterman - afetterman@skafabricating.com  
**PO Num:** N/A

**Bill To:**  
 Fraser Mills Fermentation Company  
 3044 St Johns Street  
 Port Moody, BC V3H2C5  
 Canada

**Ship To:**  
 Fraser Mills Fermentation Company  
 3044 St Johns Street  
 Port Moody, BC V3H2C5  
 Canada

Item & Description	List Price	Qty	Discount	Amount
<b>Conveyor - Custom 4.5" Stainless Steel</b> custom size 4.5" stainless steel post-fill conveyor with 90 degree turn approximately 109" in length with a 90 degree turn (includes VFD w/ disconnect). Will have DI CS kit mounted to it.	\$7,600.00	1	\$0.00	\$7,600.00
<b>Stainless Wheelbase &amp; Casters</b> stainless wheelbase & castors for mobilization	\$700.00	1	\$0.00	\$700.00
<b>D.I.C.S. Kit</b> Date Inline Coding System accessory kit includes air blaster, guide rails, and bracketry	\$1,200.00	1	\$0.00	\$1,200.00
<b>Markem-Imaje 9450 Date Coder</b> Markem-Imaje 9450 date coder - includes 1 day training & installation and 1 follow up site visit (must be scheduled within 1 year)	\$13,285.00	1	\$0.00	\$13,285.00
<b>Conveyor - 4.5" x 63"</b> 4.5" x 63" stainless steel post-fill conveyor (includes VFD w/ disconnect) , Needs a knife edge deadplate connect to a PL 501	\$5,100.00	1	\$0.00	\$5,100.00
<b>Stainless Wheelbase &amp; Casters</b> stainless wheelbase & castors for mobilization	\$700.00	1	\$0.00	\$700.00
<b>6-Pack Swinger</b> 6-Pack Swinger. Sets up cans for hand pack-off station at end of conveyor.	\$150.00	1	\$0.00	\$150.00
<b>Crating - Post Fill</b> crating (mandatory)	\$200.00	2	\$0.00	\$400.00

**Total Equipment:**

**\$29,135.00**

**\*\*Freight and installation charges not included\*\***



**Wire / ACH Instructions:**

**Domestic (USA):**

**Bank Name:**  
Bank of the San Juans  
144 E. 8th Street  
Durango, CO 81301  
(970) 247-1818

**Beneficiary:**  
Ska Fabricating  
13589 CR 213  
Durango, CO 81303

**Routing #:** 102106569  
**Account #:** 1370101202513

**International (Including Canada):**

**Intermediary Bank:**  
Wells Fargo, NA  
420 Montgomery Street  
San Francisco, CA 94163  
**SWIFT CODE:** WFBJUS6S

**Beneficiary:**  
Bank of Colorado  
1199 Main Ave.  
Durango, CO 81301  
**Routing #:** 107002448

**Further Credit To:**  
Ska Fabricating  
13589 CR 213  
Durango, CO 81303  
**Account #:** 8300684171

**List of Contacts:**

**Project Manager:** Alex Fetterman - [afetterman@skafabricating.com](mailto:afetterman@skafabricating.com)

-Contact for any questions related to project timelines, layouts, order status, equipment specifications, etc...

**Shipping / Logistics:** Alex Morrow - [alex@skafabricating.com](mailto:alex@skafabricating.com)

-Contact for any questions related to freight, customs, address changes, container dimensions, etc...

**\*\*Please note that the shipping address listed on this order confirmation is the address we will use unless we hear otherwise from you! Most orders require a 5000 lb load capacity fork lift with 6 foot fork extensions\*\***

**Accounting / Accounts Payable:** Marie Carlson - [marie@skafabricating.com](mailto:marie@skafabricating.com)

-Contact for any questions related to billing, payment schedules, etc...



Wild Goose-Meheen  
633 CTC Blvd., Ste 100  
Louisville, Colorado 80027  
720-406-7442

**Invoice**  
Invoice Date: 6/28/2019  
Invoice #: INV SY1876  
Due Date: 6/28/2019

**Bill To**  
Michael Druce  
Beyond The Grape On Premise Winemaking Ltd DBA Fraser  
Mills Fermentation Company  
3044 St Johns Street  
Port Moody BC V3H2C5  
Canada

**Ship To**  
Michael Druce  
Beyond The Grape On Premise Winemaking Ltd DBA Fraser  
Mills Fermentation Company  
3044 St Johns Street  
Port Moody BC V3H2C5  
Canada

Company Name	Serial Number	PO #	Invoice Status
Beyond The Grape On Premise Winemaking Ltd DBA Fraser Mills Fermentation Company	WGC-0875		Open

Product Details	Quantity	List Price	Total Price
<b>CAN-STD</b> Standard Can Size 12oz / 16oz	1	\$0.00	\$0.00
<b>IPTM</b> Pres & Temp Monitor	1	\$3,800.00	\$3,800.00
<b>IST-Evolution</b> Install 1-5	1	\$8,800.00	\$8,800.00
<b>RT-STD</b> Standard Rinse Tunnel for WG1-5	1	\$700.00	\$700.00
<b>SKA-DEPAL-Half Pint</b> SKA Depal - Half Pint 12oz STD 230V Three phase	1	\$26,500.00	\$26,500.00
<b>Ska- Rinse Cage - CIB</b> SKA Depal - Twist Rinse 16oz STD	1	\$3,500.00	\$3,500.00
<b>WG3</b> WG 3-Evolution	1	\$81,000.00	\$81,000.00
<b>WGC-Spares-Basic</b> WGC Basic Spare Parts Kit	1	\$1,600.00	\$1,600.00
<b>Discount - General **</b> Free spare parts kit promo if order placed by 5/31/19	1	(\$1,600.00)	(\$1,600.00)
<b>Wild Goose Welcome Kit</b> Wild Goose Welcome Kit	1	\$0.00	\$0.00
<b>PL-WG501-#4</b> Pack Leader 501 #4 for WG Power= 110 or 220V 1ph Can/Bottle Size= 12oz/16oz STD can	1	\$20,995.00	\$20,995.00
<b>PL-WG501 Leg Extensions (46")</b> Pack Leader 501 Leg Extensions for WG 46" Deck Height	1	\$695.00	\$695.00
<b>PL- ELF50 Crate</b> Pack Leader Crating Charges	1	\$395.00	\$395.00



1 of 2



Wild Goose-Meheen  
 633 CTC Blvd., Ste 100  
 Louisville, Colorado 80027  
 720-406-7442

**Invoice**  
 Invoice Date: 6/28/2019  
 Invoice #: INV SY1876  
 Due Date: 6/28/2019

Product Details	Quantity	List Price	Total Price
<b>PL-WG501 INFEED Transfer Plate</b> Pack Leader - 501 Transfer Plate for Wild Goose	2	\$120.00	\$240.00
<b>PL-501 Static Collection Table</b> Pack Leader PL501 Static Collection Table	1	\$1,595.00	\$1,595.00

Subtotal:	\$148,220.00
Discount:	
Tax Total (%):	\$0.00
Adjustment:	
<b>Total:</b>	<b>\$148,220.00</b>

	Required Payments (US Dollars)		Payments Received (US Dollars)
Deposit Amount:	\$74,110.00	Amount Paid:	\$74,110.00
Final Amount:	\$74,110.00	Outstanding Amount Due:	\$74,110.00
<b>Total:</b>	<b>\$148,220.00</b>	<b>Total:</b>	<b>\$148,220.00</b>

**Special Terms and Conditions / Notes**



INV6276



Deutsche Beverage | INK Kegs | Deutsche Process  
 3630 Tryclan Drive  
 Charlotte, NC 28217  
 704.900.6606  
 SheilaC@deutschebeverage.com  
 www.deutschebeverage.com | www.inkkegs.com |  
 www.deutscheprocess.com

**INVOICE**

Bill To:  
 Fraser Mills Fermentation Co.

Ship To:  
 Fraser Mills Fermentation Co

Date: 5/29/2019

Invoice #	Description	Due Date	AMOUNT
1	<p><b>SCHEDULE A</b>                      10 BBL Brewhouse                      Brewhouse Options:                      • 20 BBL Cold Liquor Tank *includes SPx cold pump &amp; piping                      • Pneumatic Lauter Tun Plow                      • Wort Sample Station with Utility Sink                      Custom Tank Fabrication with Heating Elements &amp; Custom Control Panel Components                      Control Options:                      • DUR Siemens Program Logic Control System                      • Remote Access                      • Blending Automation                      • (2) Liquor Tank Auto Fill                      • Surge Protection on Panel Systems                      • (7) Digital Tank Level                      • Boil-Over Protection                      • (5) Carbonation Management                      • (11) Specific Gravity Monitor                      • Lauter Transfer Automation                      • In-Line Refractometer                      • Auto Knock-Out                      • (13) Digital Tank Level &amp; Digital Head Pressure - For SW Serving Tanks in Cold Room                      (11) BBL Fermenting Uni-Tank                      (5) 10 BBL Bright Tank                      (13) 5 BBL Single Wall Bright - Serving Tank                      Celler Package                      Glycol Chiller Options:                      • Pro Chiller 7H Single Stage Glycol Chiller and Upgrade to 2 HP Process Pump in 7MA Chiller                      Milling &amp; Grain Options:                      • Grist Case/Grain Hopper                      • RAD - 2 No# Mill - 300 Model and RAD - Flex Auger                      Mobile Trolley Pump w/Variable Speed - 2HP                      100L Tilting Hop Infuser                      Project Engineering: Schematic Design &amp; Installation Supervision Services</p>	5/27/2019	\$47,043.40
2	<p><b>SCHEDULE A</b>                      - Due prior to the Production Equipment (40% of total contract) ***Typically due 2 to 6 weeks after Design call***</p>	6/10-7/8/	\$188,173.60
3	<p><b>SCHEDULE A</b>                      - Due prior to shipment of Brewery Equipment (remaining 50% of contract amount) ***Typically due 13-16 weeks after Equipment goes into Production***</p>	9/9-9/30	\$235,217.00
4	<p>Fourth Payment, in the amount of total shipping invoice provided by shipping company - Due at time of receiving of invoice, after equipment arrival (10%-15% of total)</p>	TBD	
<b>Total</b>			\$470,434.00
<b>Deposit</b>			\$47,043.40
<b>Remaining Balance</b>			\$423,390.60

Buyer is responsible for payment at time of order. Send seller Sales Tax Exemption Certificate (if applicable)  
 By making payment of this invoice you are acknowledging that the  
 \*Buyer is responsible for the payment of sales tax with in their state\*  
 1.5% interest is added onto total invoice after 30 days past due payment

**Anton Paar Canada Inc.**

*Beyond The Grape On-Premise  
Winemaking Ltd  
DBA Fraser Mills Fermentation Co  
3044 St. Johns Street  
Port Moody BC V3H 2C5*

**Ship-to address**

Beyond The Grape On-Premise  
Winemaking Ltd  
DBA Fraser Mills Fermentation Co  
Attn: Michael Druce 604-461-8891  
3044 St. Johns Street  
Port Moody BC V3H 2C5

**Conditions**

Transport by: Truck  
Forwarder: Purolator Inc  
Terms of Delivery: CIP Port Moody  
Freight: prepaid and add  
Terms of Payment: Within 30 days due net  
Remit to Address: Anton Paar Canada Inc.  
4920 Place Olivia  
St. Laurent, Quebec H4R 2Z8, Canada

**Transportation-Details**

3 boxes 92 lbs

30lbs - 24x22x18  
30lbs - 28x22x20  
32lbs - 33x13x15

Purolator Tracking 331888930004

<b>Invoice</b>	<b>No. 289006482</b>
<b>Invoice Total: 66,049.41 CAD</b>	
Your Purchase Order No. / Date Michael / 06.06.2019	<b>Page 1 of 5 09.07.2019</b>
Delivery Note No. / Date 288004641 / 04.07.2019	
Our Order No. / Date 281003341 / 06.06.2019	
Supplier No.	
Customer No. 1038358	
Official in charge Tania Mancuso ( <a href="mailto:tania.mancuso@anton-paar.com">tania.mancuso@anton-paar.com</a> )	

Pos.	Part No. Description	Qty / Unit Price per unit	Currency	Value
000001	107628 / 90278017 / AT (1) CBOXQC AT-LINE COMBINED AT-LINE CO2 AND O2 METER FOR BEVERAGES Serial No.: ( 82863043 ) Discount	1 EA 23,820.00 -10.00 %	CAD	

Anton Paar Canada Inc.  
4920 Place Olivia, Montreal / Quebec H4R 2Z8, Canada  
Phone: 514 788-4862, Fax: 514 788-4894, E-Mail: [info.ca@anton-paar.com](mailto:info.ca@anton-paar.com)  
TD Commercial Bank, Branch#: 004, Transit (router)#: 03611, Account#: 5269662



<b>Invoice</b>	<b>No. 289006482</b>
<b>Page 2 of 5 / 09.07.2019</b>	

Pos.	Part No. Description	Qty / Unit Price per unit	Currency	Value
	Position net Sub-item 000020 belongs to this item		CAD	<b>21,438.00</b>
000002	154440 / 90279050 / AT (1) PFD FILLING DEVICE PLUS	1 EA 9,540.00	CAD	
	Serial No.: ( 82869694 ) Discount	-10.00 %		
	Position net Sub-item 000022 belongs to this item		CAD	<b>8,586.00</b>
000003	17862 / 39174000 / JP (2) HOSE CONNECTOR 6 mm / 4 mm	1 EA 9.90	CAD	
	Discount	-10.00 %		
	Position net		CAD	<b>8.91</b>
000004	174774 / 90278017 / AT AT-LINE PULP FILTER WITH L-HOSE CONNECTOR	1 EA 701.00	CAD	
	Discount	-10.00 %		
	Position net		CAD	<b>630.90</b>
000005	173371 / 90278017 / AT PULP FILTER FIXTURE	1 EA 774.00	CAD	
	Discount	-10.00 %		
	Position net		CAD	<b>696.60</b>
000006	107646 / 39269097 / AT (2) FILTER CARTRIDGE FOR FRUIT PULP FILTER 80µm (10PCS)	1 EA 60.00	CAD	
	Discount	-10.00 %		
	Position net		CAD	<b>54.00</b>
000007	15271 / 39172390 / US (2) HOSE 4x6 POLYURETHANE TRANSPARENT	10 EA 5.60	CAD	
	Discount	-10.00 %		

Anton Paar Canada Inc.  
4920 Place Olivia, Montreal / Quebec H4R 2Z8, Canada  
Phone: 514 788-4862, Fax: 514 788-4894, E-Mail: [info.ca@anton-paar.com](mailto:info.ca@anton-paar.com)  
TD Commercial Bank, Branch#: 004, Transit (router)#: 03611, Account#: 5269662

<b>Invoice</b>	<b>No. 289006482</b>
<b>Page 3 of 5 / 09.07.2019</b>	

Pos.	Part No. Description	Qty / Unit Price per unit	Currency	Value
	Position net		CAD	50.40
000008	15272 / 39172390 / US (2) HOSE 2.5x4 POLYURETHANE TRANSPARENT	6 EA 4.40	CAD	
	Discount	-10.00 %		
	Position net		CAD	23.76
000009	169580 / 90279050 / US (2) Perlick adapter, valve attachment	1 EA 290.00	CAD	
	Discount	-10.00 %		
	Position net		CAD	261.00
000010	169581 / 90279050 / US (2) Regulator, M/F adaptor NPT	1 PCS 255.00	CAD	
	Discount	-10.00 %		
	Position net		CAD	229.50
000011	P00001 / 90279050 / AT VARIOUS PARTS	10 PCS		
	Perlick gaskets			
000012	169579 / 90279050 (2) 6mm push-to-connect for Perlic Adapter	4 PCS		
000013	172244 / 90278017 / AT (1) DMA# 35 PORTABLE DENSITY METER	1 EA 3,536.00	CAD	
	Serial No.: ( 82863692 )			
	Discount	-10.00 %		
	Position net		CAD	3,182.40
	Sub-item 000026 belongs to this item			

Anton Paar Canada Inc.  
4920 Place Olivia, Montreal / Quebec H4R 2Z8, Canada  
Phone: 514 788-4862, Fax: 514 788-4894, E-Mail: [info.ca@anton-paar.com](mailto:info.ca@anton-paar.com)  
TD Commercial Bank, Branch#: 004, Transit (router)#: 03611, Account#: 5269662

<b>Invoice</b>	<b>No. 289006482</b>
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<b>Page 4 of 5 / 09.07.2019</b>
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Pos.	Part No. Description	Qty / Unit Price per unit	Currency	Value
000014	177115 / 40169300 / AT RUBBER HOUSING OPERATING PANEL	1 EA 89.00	CAD	
	Discount	-10.00 %		
	Position net		CAD	<b>80.10</b>
000015	154512 / 90278017 / AT (1) ALEX 500 ALCOHOL AND EXTRACT METER Serial No.: ( 82870546 )	1 EA 12,950.00	CAD	
	Discount	-10.00 %		
	Position net		CAD	<b>11,655.00</b>
	Sub-item 000029 belongs to this item			
000016	165008 / 90278017 / AT (2) SAMPLE PREPARATION KIT ALEX 500	1 EA 521.00	CAD	
	Discount	-10.00 %		
	Position net		CAD	<b>468.90</b>
000017	164788 / 34022090 / US (2) DIATOMACEOUS EARTH 1 KG	2 EA 12.00	CAD	
	Discount	-10.00 %		
	Position net		CAD	<b>21.60</b>
000018	151891 / 42021250 / AT CRAFT2CRAFT CASE	1 EA 422.00	CAD	
	Discount	-10.00 %		
	Position net		CAD	<b>379.80</b>
000020	P00771 / 90279050 / AT START CONTRACT	1 PCS 2,900.00	CAD	<b>2,900.00</b>

Anton Paar Canada Inc.

4920 Place Olivia, Montreal / Quebec H4R 2Z8, Canada

Phone: 514 788-4862, Fax: 514 788-4894, E-Mail: [info.ca@anton-paar.com](mailto:info.ca@anton-paar.com)

TD Commercial Bank, Branch#: 004, Transit (router)#: 03611, Account#: 5269662

<b>Invoice</b>	<b>No. 289006482</b>
<b>Page 5 of 5 / 09.07.2019</b>	

<b>Pos.</b>	<b>Part No. Description</b>	<b>Qty / Unit Price per unit</b>	<b>Currency</b>	<b>Value</b>
000022	P00771 / 90279050 / AT START CONTRACT	1 PCS 2,380.00	CAD	<b>2,380.00</b>
000026	P00771 / 90279050 / AT START CONTRACT	1 PCS 1,050.00	CAD	<b>1,050.00</b>
000029	P00771 / 90279050 / AT START CONTRACT	1 PCS 2,130.00	CAD	<b>2,130.00</b>
	Warranty extension to 3 years		CAD	<b>2,591.60</b>
<b>Total amount net EXW</b>				
			CAD	58,818.47
	Shipping		CAD	154.22
	GST 803829324	5.0%	CAD	2,948.63
	PST 1055-36670	7.0%	CAD	4,128.09
<b>Total amount CIP Port Moody</b>			<b>CAD</b>	<b>66,049.41</b>

**A warranty extension for "Consumables" is excluded.**

- (1) Instrument requires maintenance  
(2) Consumable

Sincerely yours,  
Anton Paar Canada Inc.

Anton Paar Canada Inc.  
4920 Place Olivia, Montreal / Quebec H4R 2Z8, Canada  
Phone: 514 788-4862, Fax: 514 788-4894, E-Mail: [info.ca@anton-paar.com](mailto:info.ca@anton-paar.com)  
TD Commercial Bank, Branch#: 004, Transit (router)#: 03611, Account#: 5269662

MCMILLAN

This is Exhibit "I" referred to in the  
 affidavit of R. Francisco  
 sworn before me at Calgary  
 in the province of Alberta  
 this 14 day of September 2023

In reply refer to:

Sherryl Dubo Law Corporation  
 Assistant's email: [lisa@mcmillandubo.com](mailto:lisa@mcmillandubo.com)  
 File Ref. 1201-147

December 7, 2022

C. M. Connell  
 A Commissioner of oaths and Notary Public in and for the Province of AB  
C. M. Connell. Exp. Oct 3/24

**CONFIDENTIAL**

Via Registered & Regular Mail  
 And Via Email: [ian@frasermillsfc.com](mailto:ian@frasermillsfc.com)

Beyond the Grape on Premise Winemaking Ltd.  
 c/o Registered Office  
 590 Carlsen Place  
 Port Moody, BC V3H 3Z8

Beyond the Grape on Premise Winemaking Ltd.  
 3044 St. Johns Street  
 Port Moody, BC V3H 2C5

Dear Sir/Madam:

Re: Business Development Bank of Canada ("BDC")  
Loan in the Name of Beyond the Grape on Premise Winemaking Ltd. (the "Company")

We are the solicitors for BDC in respect of the captioned matter.

We are advised by our client that you are indebted to it as follows:

**Loan No. 161146-01**

- |  |              |
|--|--------------|
| A. Balance due and owing as at November 15, 2022   | \$663,331.25 |
| B. Plus interest after November 15, 2022 at BDC's<br>Floating Base Rate plus a variance of 2% p.a. |              |

(the "Indebtedness").

The Indebtedness is outstanding pursuant to a Letter of Offer dated May 7, 2019, as thereafter amended, in the principal amount of \$725,000.00. We are advised by our client that you are in default under the terms of that agreement for failing to make payments as and when due. BDC hereby invokes the acceleration clause therein.

This is formal demand pursuant to the above referenced agreement that you pay the full sum of the Indebtedness, plus all costs incurred by our client together with legal fees and disbursements incurred prior to your tendering payment, within ten (10) days of the date of this letter or we are instructed to pursue whatever remedies are available to our client to collect this sum. Prior to making payment, you must contact our office to obtain the updated balance including interest and costs to date of payment.

00150088

**KAMLOOPS OFFICE**

#401 - 121 5th Avenue  
 Kamloops, BC V2C 0M1  
 OFFICE: 778-765-1701  
 FAX: 250-434-9485

We enclose a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*.

Your payment should be made by way of certified cheque or bank draft delivered and payable to McMillan Dubo LLP "in trust", #401-121 5<sup>th</sup> Avenue, Kamloops, BC V2C 0M1

Please direct all further inquiries to the writer's attention.

Yours truly,

McMILLAN DUBO LLP

Per:



Sherryl Dubo\*

/s/  
E. & O.E.

\*operating as a law corporation  
cc: Client



Form 115

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1))

To: Beyond the Grape on Premise Winemaking Ltd., an insolvent person

TAKE NOTICE THAT:

1. Business Development Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
  - (a) All present and after acquired personal property.
2. The security that is to be enforced is in the form of:
  - (a) General Security Agreement dated June 26, 2019 and registered in the Personal Property Registry under base registration no. 744557L on September 4, 2019.
3. The total amount of indebtedness secured by the security is \$663,331.25 as of November 15, 2022, plus costs.
4. The secured creditor will not have the right to enforce the security until after the expiry of a 10 day period following the sending of this notice unless the insolvent person consents to an earlier enforcement.

Dated at Kamloops, British Columbia on December 07, 2022.

The 10 day notice period pursuant to Section 244 of the *Bankruptcy and Insolvency Act* is hereby waived by Beyond the Grape on Premise Winemaking Ltd. and it is agreed the secured creditor may proceed with immediate enforcement of its security:

BUSINESS DEVELOPMENT  
BANK OF CANADA



---

Sherryl Dubo  
Solicitor for Secured Creditor

---

Authorized signatory

MCMILLAN DUBO  
LAW GROUP

In reply refer to:

Sherryl Dubo Law Corporation  
Assistant's email: [lisa@mcmillandubo.com](mailto:lisa@mcmillandubo.com)  
File Ref. 1201-147

December 7, 2022

CONFIDENTIAL

Via Registered & Regular Mail  
And Via Email: [ian@frasermillsfc.com](mailto:ian@frasermillsfc.com)

Fraser Mills Fermentation Company Ltd.  
c/o Registered Office  
421 Carlsen Place  
Port Moody, BC V3H 3Z8

Fraser Mills Fermentation Company Ltd.  
3044 St. Johns Street  
Port Moody, BC V3H 2C5

Dear Sirs:

**Re: Business Development Bank of Canada ("BDC")  
Loan in the Name of Beyond the Grape on Premise Winemaking Ltd. (the "Company")**

We are the solicitors for BDC in respect of the captioned matter.

We are advised that the Company is indebted to our client in the sum of \$663,331.25 as of November 15, 2022 plus interest thereafter at BDC's Floating Base Rate plus a variance of 2% per annum, and costs (collectively the "Loan").

We enclose a copy of the demand letter which has been issued to the Company.

Pursuant to a Guarantee dated June 26, 2019, Fraser Mills Fermentation Company Ltd. unconditionally guaranteed, *inter alia*, performance by the Company of all promises to BDC under the Loan and payment of the Loan, protective disbursements, interest and all other amounts the Company promised to pay under the Loan, together with all legal fees and disbursements, on a solicitor and client basis, incurred by BDC in reference to any suit upon the Guarantee.

This is formal demand pursuant to the Guarantee that the full sum guaranteed be paid to BDC, plus all costs incurred by BDC together with legal fees and disbursements incurred prior to tendering payment, within ten (10) days of the date of this letter or we are instructed to pursue whatever remedies are available to our client to collect this sum. Prior to making payment, you must contact our office to obtain an updated payout amount including interest and costs to date of payment.

We also enclose a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*.

00150108.



KAMLOOPS OFFICE

#401 - 121 5th Avenue  
Kamloops, BC V2C 0M1  
OFFICE: 778-765-1701  
FAX: 250-434-9485



Payment should be made by way of certified cheque or bank draft delivered and payable to McMillan Dubo LLP "in trust", 320-301 Victoria Street, Kamloops, BC V2C 2A3.

Please direct all further inquiries to the writer's attention.

Yours truly,

McMILLAN DUBO LLP  
Per:



Sherryl Dubo\*

/It  
E. & O.E.  
Encl.

\*operating as a law corporation  
cc: Client



Form 115

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1))

To: Fraser Mills Fermentation Company Ltd., an insolvent person

TAKE NOTICE THAT:

1. Business Development Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
  - (a) All present and after acquired personal property.
2. The security that is to be enforced is in the form of:
  - (a) General Security Agreement dated June 26, 2019 and registered in the Personal Property Registry under base registration no. 744557L on September 4, 2019.
3. The total amount of indebtedness secured by the security is \$663,331.25 as of November 15, 2022, plus costs.
4. The secured creditor will not have the right to enforce the security until after the expiry of a 10 day period following the sending of this notice unless the insolvent person consents to an earlier enforcement.

Dated at Kamloops, British Columbia on December 07, 2022.

The 10 day notice period pursuant to Section 244 of the *Bankruptcy and Insolvency Act* is hereby waived by Beyond the Grape on Premise Winemaking Ltd. and it is agreed the secured creditor may proceed with immediate enforcement of its security:

BUSINESS DEVELOPMENT  
BANK OF CANADA



---

Sherryl Dubo  
Solicitor for Secured Creditor

---

Authorized signatory

8/31/23, 2:30 PM

Abacus Queries - [Payout Balances (Detail)]

Client Number 161146



C/A Number .... 16114601

Description	Value
PRINCIPAL EXCLUDING ARREARS	0.00
PRINCIPAL ARREARS	638,620.00
INTEREST	90,931.02
ACCRUED TO	2023-09-17
ANNUAL ADMINISTRATION FEE	750.00
NSF FEE	140.00
PROTECTIVE DISBURSEMENT	20,874.67
INTEREST ON PROTECTIVE DISBURSEMENT	1,059.02
<b>Total</b>	<b>752,374.71</b>

Description	Value
TAX ACCOUNT	0.00
DEPOSIT ACCOUNT WITH INTERESTS	0.00
DEPOSIT ACCOUNT WITHOUT INTERESTS	4,000.00
<b>Total Deposit</b>	<b>4,000.00</b>
<b>Total Net</b>	<b>748,374.71</b>
DAILY INTEREST ACCRUAL	197.70
DAILY IOI ACCRUAL	26.34
INTEREST RATE PLAN	Daily float
SPECIAL INTEREST RATE TYPE	STD
EFFECTIVE BASE RATE	9.300000 %
VARIANCE RATE	2.000000 %
INTEREST ADJUSTMENT DATE	
PROT.DISB. - DAILY INTEREST ACCRUAL	6.46
PROT.DISB. - DAILY IOI ACCRUAL	0.27
OPTION EXPIRY DATE	2023-09-17

Disclaimers:

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

This is Exhibit " J " referred to in the affidavit of R. Francisco Sworn before me at Calgary In the province of Alberta this 14 day of September 20 23  
C. McConnell  
 A Commissioner of oaths and Notary Public in and for the Province of AB  
C. McConnell. Exp. Oct. 3/24

**From:** Raffaella Longhin  
**Sent:** June 15, 2023 3:59 PM  
**To:** Finn Merritt-Neill; Cody Reedman  
**Cc:** Sherryl Dubo; Lisa Trenzek  
**Subject:** RE: BDC - Loans to Beyond the Grape (#1201-147)  
**Attachments:** Notice of Civil Claim - FILED (00200099x104BC7).pdf

Good afternoon:

Further to your emails below, attached is a copy of the filed Notice of Civil Claim for service upon you on behalf of the Defendants:

1. Beyond the Grape On Premise Winemaking Ltd.;
2. Fraser Mills Fermentation Company Ltd.;
3. Ian MacKerricher.

This is Exhibit " K " referred to in the affidavit of R. Francisco  
 Sworn before me at Calgary  
 In the province of Alberta  
 this 14 day of September 2023  
C. McConnell  
 A Commissioner of oaths and Notary Public in and for the Province of AB  
C. McConnell. Exp. Oct 3/24

Regards,

**MCMILLAN DUBO**  
 LAW GROUP

Raffaella Longhin  
 Paralegal

DIRECT: 778-765-1722  
 FAX – 250-434-9485  
 EMAIL: [raff@mcmillandubo.com](mailto:raff@mcmillandubo.com)

***Our new address is #401, 121 5<sup>th</sup> Ave., Kamloops, BC, V2C 0M1. Our phone numbers remain the same.\*\****

This message is intended only for the named recipients. This message may contain information that is privileged, confidential or exempt from disclosure under applicable law. Any dissemination or copying of this message by anyone other than a named recipient is strictly prohibited. If you are not a named recipient or an employee or agent responsible for delivering this message to a named recipient, please notify us immediately, and permanently destroy this message and any copy as you may have. Warning: Email may not be secure unless properly encrypted.

**From:** Finn Merritt-Neill <Finn@reedmanlaw.com>  
**Sent:** Thursday, June 15, 2023 3:03 PM  
**To:** Raffaella Longhin <raff@mcmillandubo.com>; Cody Reedman <CReedman@reedmanlaw.com>  
**Cc:** Sherryl Dubo <sherryl@mcmillandubo.com>; Lisa Trenzek <lisa@mcmillandubo.com>  
**Subject:** RE: BDC - Loans to Beyond the Grape

Caution! This message was sent from outside your organization.

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Hi Raffaella,

Yes, we will accept service on behalf of Fraser Mills Fermentation Company Ltd.

Finn Merritt-Neill  
 Barrister & Solicitor

T: 604-570-0005  
E: [Finn@reedmanlaw.com](mailto:Finn@reedmanlaw.com)

---

**Reedman Law**  
#800A-1030 West Georgia Street  
Vancouver, BC V6E 2Y3  
[Reedmanlaw.com](http://Reedmanlaw.com)

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, re-transmission, dissemination or other use of or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited. If you received this in error please contact the sender immediately by return electronic transmission and then immediately delete this transmission including all attachments without copying distributing or disclosing same.

**From:** Raffaella Longhin <[raff@mcmillandubo.com](mailto:raff@mcmillandubo.com)>  
**Sent:** Thursday, June 15, 2023 3:02 PM  
**To:** Finn Merritt-Neill <[Finn@reedmanlaw.com](mailto:Finn@reedmanlaw.com)>; Cody Reedman <[CReedman@reedmanlaw.com](mailto:CReedman@reedmanlaw.com)>  
**Cc:** Sherryl Dubo <[sherryl@mcmillandubo.com](mailto:sherryl@mcmillandubo.com)>; Lisa Trenzek <[lisa@mcmillandubo.com](mailto:lisa@mcmillandubo.com)>  
**Subject:** RE: BDC - Loans to Beyond the Grape

Good afternoon:

Further to your email below, kindly confirm that your firm will also accept service for Fraser Mills Fermentation Company Ltd.

We look forward to hearing from you.

Regards,



Raffaella Longhin  
Paralegal

DIRECT: 778-765-1722  
FAX – 250-434-9485  
EMAIL: [raff@mcmillandubo.com](mailto:raff@mcmillandubo.com)

*Our new address is #401, 121 5<sup>th</sup> Ave., Kamloops, BC, V2C 0M1. Our phone numbers remain the same.\*\**

This message is intended only for the named recipients. This message may contain information that is privileged, confidential or exempt from disclosure under applicable law. Any dissemination or copying of this message by anyone other than a named recipient is strictly prohibited. If you are not a named recipient or an employee or agent responsible for delivering this message to a named recipient, please notify us immediately and permanently destroy this message and any copies you may have. Warning: Email may not be secure unless properly encrypted.

**From:** Finn Merritt-Neill <[Finn@reedmanlaw.com](mailto:Finn@reedmanlaw.com)>  
**Sent:** Thursday, June 15, 2023 2:56 PM  
**To:** Sherryl Dubo <[sherryl@mcmillandubo.com](mailto:sherryl@mcmillandubo.com)>; Cody Reedman <[CReedman@reedmanlaw.com](mailto:CReedman@reedmanlaw.com)>  
**Cc:** Raffaella Longhin <[raff@mcmillandubo.com](mailto:raff@mcmillandubo.com)>  
**Subject:** RE: BDC - Loans to Beyond the Grape

Hi Sherryl,

I can confirm that we will accept service on behalf of Mr. MacKerricher and on behalf of the company.

Finn Merritt-Neill  
Barrister & Solicitor  
T: 604-570-0005  
E: [Finn@reedmanlaw.com](mailto:Finn@reedmanlaw.com)

---

**Reedman Law**  
#800A-1030 West Georgia Street  
Vancouver, BC V6E 2Y3  
Reedmanlaw.com

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, re-transmission, dissemination or other use of or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited. If you received this in error please contact the sender immediately by return electronic transmission and then immediately delete this transmission including all attachments without copying distributing or disclosing same.

**From:** Sherryl Dubo <[sherryl@mcmillandubo.com](mailto:sherryl@mcmillandubo.com)>  
**Sent:** Tuesday, June 13, 2023 1:59 PM  
**To:** Cody Reedman <[CReedman@reedmanlaw.com](mailto:CReedman@reedmanlaw.com)>; Finn Merritt-Neill <[Finn@reedmanlaw.com](mailto:Finn@reedmanlaw.com)>  
**Cc:** Raffaella Longhin <[raff@mcmillandubo.com](mailto:raff@mcmillandubo.com)>  
**Subject:** RE: BDC - Loans to Beyond the Grape

Good afternoon,

I don't believe I've heard back from you. Please advise whether you have instructions to accept service on the companies on behalf of Mr. MacKerricher as director.

Thank you,  
Sherryl

**MCMILLAN DUBO**  
*Reducing Risk For* **LAW GROUP**  
*Financial Institutions*

Sherryl Dubo\*  
Partner | McMillan Dubo Law Group  
Email. [sherryl@mcmillandubo.com](mailto:sherryl@mcmillandubo.com)  
Phone. 778-765-1716  
\*operating as a law corporation

**From:** Sherryl Dubo  
**Sent:** Thursday, June 8, 2023 1:47 PM  
**To:** 'creedman@reedmanlaw.com' <[CReedman@reedmanlaw.com](mailto:CReedman@reedmanlaw.com)>; Finn Merritt-Neill <[Finn@reedmanlaw.com](mailto:Finn@reedmanlaw.com)>  
**Cc:** Raffaella Longhin <[raff@mcmillandubo.com](mailto:raff@mcmillandubo.com)>  
**Subject:** BDC - Loans to Beyond the Grape

Hello Cody and Finn, a Notice of Civil Claim has been filed against Beyond the Grape, Fraser Mills and the other guarantors.

Would you please advise if you have instructions to accept service on behalf of Mr. MacKerricher? I note that he is the sole director of both Beyond the Grape and Fraser Mills. Please advise whether you can also accept service on those companies on behalf of Mr. MacKerricher as director.

Thank you,  
Sherryl

**MCMILLAN DUBO**  
*Reducing Risk For* **LAW GROUP**  
*Financial Institutions*

Sherryl Dubo\*  
Partner

DIRECT: 778-765-1716  
OFFICE: 778-765-1701  
EMAIL: [sherryl@mcmillandubo.com](mailto:sherryl@mcmillandubo.com)  
#401 – 121 5<sup>th</sup> Ave.  
Kamloops, BC V2C 0M1

\*Operating as a law corporation



No. VLC-S-S-234019  
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BUSINESS DEVELOPMENT BANK OF CANADA

PLAINTIFF

AND:

BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.  
FRASER MILLS FERMENTATION COMPANY LTD.  
IAN DONALD MACKERRICHER  
MICHAEL EDWARD DRUCE  
DANIEL JOSEPH PARENT  
STEPHEN PAUL SHELDON  
WARREN TODD BOYER

DEFENDANTS

REQUISITION -- GENERAL

Filed by: The Plaintiff, Business Development Bank of Canada

Required:

- 1. Please search court file for any Response to Civil Claim filed by the defendants:
  - (a) BEYOND THE GRAPE ON PREMISE WINEMAKING LTD. and
  - (b) FRASER MILLS FERMENTATION COMPANY LTD

Date: August 18, 2023

Signature of Sherryl Dubo

filing party  lawyer for filing party

No response filed as  
of Aug 18, 2023

00209185.1

This is Exhibit "L" referred to in the  
affidavit of R. Francisco  
Sworn before me at Calgary  
In the province of Alberta  
this 14 day of September 20 23

A Commissioner of oaths and Notary Public in and for the Province of AB  
C. McConnell. Exp. Oct. 3/24



## Schedule "B"



Liquor and Cannabis Regulation Branch  
**Manufacturer #308687**  
 Expires on March 31, 2024

Establishment Name: **Fraser Mills Fermentation Company (308687)**  
 Licence Name: **Fraser Mills Fermentation Company (308687)**  
 Location Address: 3044 St. Johns St  
 PORT MOODY, B.C., V3H2C5  
 Issued to: **BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.**

**TERMS AND CONDITIONS****HOURS OF SALE FOR SPECIAL EVENT AREA ENDORSEMENT**

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
<b>Start</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>
<b>End</b>	<b>21:00</b>	<b>21:00</b>	<b>21:00</b>	<b>21:00</b>	<b>21:00</b>	<b>21:00</b>	<b>21:00</b>

**MAXIMUM CAPACITY SPECIAL EVENT AREA ENDORSEMENT**

Person02 10

**HOURS OF SALE FOR LOUNGE AREA ENDORSEMENT**

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
<b>Start</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>
<b>End</b>	<b>01:00</b>	<b>01:00</b>	<b>01:00</b>	<b>01:00</b>	<b>01:00</b>	<b>01:00</b>	<b>01:00</b>

**MAXIMUM CAPACITY LOUNGE AREA ENDORSEMENT**

Person01 126

**On-Site Store Endorsement Approved**

- The terms and conditions to which this licence is subject include the terms and conditions contained in the licensee Terms and Conditions Handbook, which is available on the Liquor and Cannabis Regulation Branch website. The Terms and Conditions Handbook is amended from time to time.
- Subject to terms and conditions specified in the restriction or approval letter(s). A copy of restriction or approval letter(s) to be kept with current liquor licence.
- Liquor product sold in the on site store must be registered under the manufacturer licence.

This is Exhibit " M " referred to in the  
 affidavit of R. Francisco  
 Sworn before me at Calgary  
 In the province of Alberta  
 this 14 day of September 20 23

C. McNeill

A Commissioner of oaths and Notary Public in and for the Province of AB

Licence issued by the General Manager under the  
 authority of the Liquor Control and Licensing Act.

C. McNeill. Exp. Oct. 3/24

YOUR CURRENT VALID LICENCE MUST BE  
 PROMINENTLY DISPLAYED AT ALL TIMES.  
 TAMPERING, ALTERING OR DEFACING THIS  
 LICENCE IN ANY MANNER MAY RESULT IN THE  
 LICENCE BEING CANCELLED.

Licence Printed: March 31, 2023

## Schedule "B"



**Liquor and Cannabis Regulation Branch**  
**Manufacturer #308688**  
**Expires on March 31, 2024**

Establishment Name: **Fraser Mills Fermentation Company (308688)**  
 Licence Name: **Fraser Mills Fermentation Company (308688)**  
 Location Address: 3044 St. Johns St  
 PORT MOODY, B.C., V3H2C5  
 Issued to: **BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.**

### TERMS AND CONDITIONS

#### HOURS OF SALE FOR SPECIAL EVENT AREA ENDORSEMENT

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
<b>Start</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>
<b>End</b>	<b>21:00</b>	<b>21:00</b>	<b>21:00</b>	<b>21:00</b>	<b>21:00</b>	<b>21:00</b>	<b>21:00</b>

#### MAXIMUM CAPACITY SPECIAL EVENT AREA ENDORSEMENT

Person02	10
----------	----

#### HOURS OF SALE FOR LOUNGE AREA ENDORSEMENT

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
<b>Start</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>	<b>09:00</b>
<b>End</b>	<b>01:00</b>	<b>01:00</b>	<b>01:00</b>	<b>01:00</b>	<b>01:00</b>	<b>01:00</b>	<b>01:00</b>

#### MAXIMUM CAPACITY LOUNGE AREA ENDORSEMENT

Person01	126
----------	-----

#### On-Site Store Endorsement Approved

- The terms and conditions to which this licence is subject include the terms and conditions contained in the licensee Terms and Conditions Handbook, which is available on the Liquor and Cannabis Regulation Branch website. The Terms and Conditions Handbook is amended from time to time.
- Subject to terms and conditions specified in the restriction or approval letter(s). A copy of restriction or approval letter(s) to be kept with current liquor licence.
- Liquor product sold in the on site store must be registered under the manufacturer licence.

**YOUR CURRENT VALID LICENCE MUST BE PROMINENTLY DISPLAYED AT ALL TIMES. TAMPERING, ALTERING OR DEFACING THIS LICENCE IN ANY MANNER MAY RESULT IN THE LICENCE BEING CANCELLED.**

Licence issued by the General Manager under the authority of the Liquor Control and Licensing Act.

Licence Printed: March 31, 2023



Government  
of Canada

Gouvernement  
du Canada

## Canada Revenue Agency

# View and pay account balance

Payroll deduction account:

**872331756RP0001**

Business name:

**BEYOND THE GRAPE ON PREMISE WINEMAKING LTD.**

The following account information is not a complete statement of account.

## Tax year balances

To make a payment towards a tax year balance:

Select link to view detail

Tax year	(\$) Amount paid	(\$) Amount unpaid	(\$) T4 return amount	(\$) Balance adjustment	(\$) Balance
2023	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>2022</u>	\$59,143.91 Cr	\$0.00	\$62,714.97 Dr	\$0.00	\$3,571.06 Dr
<u>2021</u>	\$56,316.07 Cr	\$0.00	\$56,316.27 Dr	\$0.20 Cr	\$0.00
<u>2020</u>	\$38,529.80 Cr	\$1,618.82 Cr	\$40,148.62 Dr	\$0.00	\$0.00
<u>2019</u>	\$50,540.11 Cr	\$0.00	\$50,540.03 Dr	\$0.08 Dr	\$0.00
<u>2018</u>	\$15,617.86 Cr	\$0.00	\$15,625.08 Dr	\$7.22 Cr	\$0.00
<u>2017</u>	\$16,619.28 Cr	\$0.00	\$16,619.28 Dr	\$0.00	\$0.00
<u>2016</u>	\$16,613.39 Cr	\$0.00	\$16,613.39 Dr	\$0.00	\$0.00
<u>2015</u>	\$16,135.25 Cr	\$0.00	\$16,135.25 Dr	\$0.00	\$0.00
<u>2014</u>	\$17,474.29 Cr	\$0.00	\$17,474.29 Dr	\$0.00	\$0.00

<u>2013</u>	\$17,645.87 Cr	\$0.00	\$17,645.87 Dr	\$0.00	\$0.00
-------------	----------------	--------	----------------	--------	--------

**Note:** The outstanding balance below may not reflect the total amount owing, see [View and pay wage subsidies and hiring program balance](#) for additional payroll amounts.

## Arrears account balances

Current total amount owing: \$4,415.33 [Proceed to pay](#)

### Select link to view detail

Tax year ⓘ	(\$) Amount owing ⓘ	(\$) Uncharged interest ⓘ	(\$) Law cost ⓘ
<u>2023</u>	\$0.00	\$0.00	\$0.00
<u>2022</u>	\$0.00	\$0.00	
<u>2021</u>	\$0.00	\$0.00	
<u>2020</u>	\$4,355.86 Dr	\$59.47 Dr	
<u>2019</u>	\$0.00	\$0.00	
<u>2018</u>	\$0.00	\$0.00	
<u>2017</u>	\$0.00	\$0.00	
<u>2016</u>	\$0.00	\$0.00	
<u>2015</u>	\$0.00	\$0.00	
<u>2014</u>	\$0.00	\$0.00	
<u>2013</u>	\$0.00	\$0.00	
<b>Total</b>	<b>\$4,355.86 Dr</b>	<b>\$59.47 Dr</b>	<b>\$0.00</b>

## Missing a payment or need assistance?

Electronic payments will be applied to your account in approximately 48 hours. It may take longer to process payments mailed or made at financial institutions. If you need assistance, [request a call back](#).

**Screen ID:** B-RP-AB-01

**Date modified:** 2023-05-15



FORM 66 (RULES 16-1(2) AND 21-5(14))

Court File No. **VLC-S-B-230317**

Bankruptcy Division -03  
No. B 230317  
Estate No. 11-254505  
VANCOUVER REGISTRY

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

**IN THE MATTER OF THE BANKRUPTCY OF BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD. DOING BUSINESS AS FRASER MILLS FERMENTATION.**

**PETITION TO THE COURT**

THIS IS THE PETITION OF:

**Royal Bank of Canada (the "Applicant Creditor")**  
c/o Fulton & Company LLP  
300-350 Lansdowne Street  
Kamloops, BC V2C 1Y1

This is Exhibit " 0 " referred to in the  
affidavit of R. Francisco  
Sworn before me at Calgary  
In the province of Alberta  
this 14 day of September 20 23

C. McConnell  
A Commissioner of oaths and Notary Public in and for the Province of AB  
C. McConnell. Exp. Oct. 3/24

ON NOTICE TO:

**Beyond the Grape on Premise Winemaking Ltd. doing business as Fraser Mills  
Fermentation (the "Debtor")**  
Head Office and Registered Office  
590 Carlsen Place  
Port Moody, British Columbia V3H 3Z8

**BDO Canada Limited**  
Attn: Jervis Rodrigues  
1100 -1055 West Georgia Street  
Vancouver, British Columbia V6E 3P3

**Office of the Superintendent of Bankruptcy**  
300 Georgia Street W, Suite 2000  
Vancouver, British Columbia V6B 6E1

**This proceeding has been started by the Petitioner for the relief set out in Part 1  
below.**

1.	The address of the registry is: Vancouver Registry
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- 2 -

	800 Smithe Street Vancouver, BC V6Z 2E1
2.	The ADDRESS FOR SERVICE of the Petitioner is: c/o Fulton & Company LLP 300-350 Lansdowne Street Kamloops, BC V2C 1Y1 Fax number address for service (if any) of the Petitioner: (250) 851-2300 E-mail address for service (if any) of the Petitioner: Email service will not be accepted.
3.	The name and office address of the Petitioner's lawyer is: Fulton & Company LLP 300-350 Lansdowne Street Kamloops, BC V2C 1Y1 Attention: Hal Hicks

### CLAIM OF THE PETITIONER

#### Part 1: ORDERS SOUGHT

1. The Debtor be adjudged bankrupt and that a receiving order be made in respect of the property of the Debtor.
2. BDO Canada Limited be appointed as Trustee of the Estate of the Debtor.
3. Costs of the Applicant Creditor be paid out of the estate of the bankrupt on taxation of the estate.
4. Such further relief as the circumstances may require and as this Honourable Court deems appropriate.

#### Part 2: FACTUAL BASIS

##### Grounds for the Petition

1. The Petitioner, Royal Bank of Canada is a Chartered Bank.
2. The Debtor is a company duly incorporated under the laws of British Columbia and has a registered office at 590 Carlsen Place, Port Moody, British Columbia, V3H 3Z8.
3. The Debtor is an insolvent company within the meaning of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and has at some time during the six months preceding the filing of this Petition, carried on business at or near the City of Port Moody, in the Province of British Columbia, within the jurisdiction of this Honourable Court.

- 3 -

4. The Debtor has committed an act of bankruptcy within the six months preceding the filing of the application in that the Debtor ceased to meet its liabilities generally as they became due.
5. The Applicant Creditor is a secured creditor and estimates the value of its security to be \$79,350.00. The Debtor has unsecured debts owing to the Applicant Creditor in an amount in excess of \$1,000.00.

#### **The Agreements**

6. The Debtor is indebted to the Applicant Creditor pursuant to an RBC Credit Agreement dated June 10, 2019, an RBC Royal Bank Loan Agreement – *Canada Small Business Financing Act* dated June 6, 2019, and an RBC Visa business card Agreement dated June 6, 2019 (the “**Lending Documents**”).

#### **The Default and the Demand**

7. The Debtor is in default under the Lending Documents in that it has failed to make required payments when due.
8. The Debtor is justly and truly indebted to the Applicant Creditor in the sum of \$408,454.81 as of May 19, 2023, plus interest on that sum and costs.
9. The Applicant Creditor made demand for payment and issued a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 on or about January 10, 2023 (the “**Demand**”).
10. Despite the Demand, the Debtor has failed to provide payment to the Applicant Creditor for the amounts owing under the Lending Documents.

#### **The Indebtedness**

11. Following the default and the Demand, the Applicant Creditor commenced proceedings to collect on the amount owing by the Debtor to the Applicant Creditor.
12. The Applicant Creditor commenced proceedings on February 2, 2023, in the Kamloops Registry of the Supreme Court under action no. KAM-S-S-61840 (the “**Kamloops Proceedings**”).
13. The Applicant Creditor obtained default judgment against the Debtor in the Kamloops Proceedings, in the amount of \$408,454.81 on May 19, 2023 (the “**Judgment**”).
14. The full amount of the Judgment owing remains due and owing by the Debtor to the Applicant Creditor.



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#### **Value of Applicant Creditor's Security**

15. On August 28, 2019, the Applicant Creditor entered into a priority agreement (the "Priority Agreement") with the Business Development Bank of Canada ("BDC") wherein it was agreed that BDC would have priority over the Applicant Creditor with respect to certain personal property of the Debtor.
16. On February 6, 2023, the Applicant Creditor obtained an appraisal of all or substantially all of the Debtor's personal property and the appraiser opined that the liquidation value of these assets is approximately \$201,250.00.
17. The estimated value of the personal property subject to the Priority Agreement is \$121,900.00.
18. Therefore the value of the Applicant Creditor's security is approximately \$79,350.00.

#### **Other Creditors**

19. The Debtor has other creditors and debts which are due and payable.
20. On June 1, 2023, BDC filed a notice of civil claim in the Vancouver Registry against the Debtor for debts owing in the amount of \$738,780.19 under court file no. VLC-S-S-234019.
21. The Debtor also has outstanding amounts owing to the Canada Revenue Agency ("CRA") estimated as follows:
  - a. \$16,000.00 for payroll remittances from the 2022 year;
  - b. \$10,000.00 for excises from the 2022 year; and
  - c. \$29,000.00 for GST from the 2020 year.
22. Based on these estimates, the Debtor owes the CRA approximately \$55,000.00.

#### **Acts of Bankruptcy**

23. The Debtor has committed acts of bankruptcy within the six months preceding the filing of this Petition by failing to meet its liabilities as they become due.
24. Despite the debts owed to the Applicant Creditor, BDC, and the CRA, the Debtor has failed to pay the amounts owed.

#### **Consent of License Trustee in Bankruptcy to Act as Trustee**

25. Jervis Rodrigues of BDO Canada Limited, 1100 – 1055 West Georgia Street, Vancouver, British Columbia V6E 3P3 is a person qualified to act as trustee of the

property of the Debtor and has agreed to act as such and is acceptable to the Applicant Creditor.

### **Part 3: LEGAL BASIS**

1. Rule 2-1(2) of the *Supreme Court Civil Rules*.
2. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, Sections 42 and 43.
3. *Bankruptcy and Insolvency General Rules*, C.R.C. 1978, Rules 11, 69-72 and 74-76.
4. If it is shown that the debtor has failed to pay the debt due to the applicant creditor, the onus is on the debtor to prove that it is able to pay the debts and financial accounts, or statements must be submitted.

*Bankruptcy of Ken Min Man Chung*, 2004 BCSC 1669 at para 17 citing  
*Re Hayes* (1979) 34 C.B.R. (N.S.) 280 (B.C.S.C.)

5. Cessation of meeting obligations does not have to commence in the six month period preceding the filing of the application, it is sufficient that the cessation occurred at some time and continued during the six month period referred to in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B – 3.

*Czepil v. J.W. Bison Ranch Ltd.*, 2008 BCSC 366 at para 26

6. A judgment is a continuing demand for payment, and there is no necessity for a judgment creditor to make demands for payment in the six-month period in order to comply with s. 43(1)(b) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B – 3.

*Bankruptcy of Matthew Gray Knight*, 2003 BCSC 205 at para 22 citing  
*Platt v. Malmstrom*, 2001 CanLII 24037 (ON CA)

7. The fact that a secured creditor invokes the provisions of the Bankruptcy Act to establish its priority in accordance with the scheme of distribution provided by that Act cannot constitute a "sufficient cause" for refusing a receiving order.

*Bank of Montreal v. Scott Road Ent. Ltd.*, 1989 CanLII 2726 (BC CA) at para 26

8. The court is not involved in an exercise of fixing values, it need only determine that the estimate of a secured creditor's security is neither a sham or absurdly low. It is an exercise of good faith. Appraisal reports presented by way of hearsay are permitted when used solely for the purpose of determining that the estimate was made in good faith and was not a sham or absurdly low. A secured creditor need not obtain a formal appraisal of its security.

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*Re C. Tokmakjian Ltd.(Bankruptcy)*, 2003 CanLII 17288 (ON SC)  
at paras 41 and 42

**Part 4: MATERIAL TO BE RELIED ON**

1. Affidavit #1 of Howard Wang made July 17, 2023; and
2. Affidavit #1 of Rianne Jeeves made July 11, 2023.

The Petitioner estimates that the hearing of the petition will take 15 minutes.

Date: July 21, 2023



Signature of Hal R. Hicks

Petitioner  lawyer for Petitioner

Issued at the City of Vancouver in the Province of British Columbia, this day of 25<sup>th</sup> July,  
2023.

Digitally signed by  
Bonneau, Bobbi

\_\_\_\_\_  
Registrar in Bankruptcy

**To be completed by the court only:**

Order made

in the terms requested in paragraphs \_\_\_\_\_ of Part 1 of this petition

with the following variations and additional terms:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Signature of  Judge  Master

Bankruptcy Division  
No. \_\_\_\_\_  
Estate No. \_\_\_\_\_  
VANCOUVER REGISTRY

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

**IN THE MATTER OF THE BANKRUPTCY OF BEYOND  
THE GRAPE ON PREMISE WINEMAKING LTD. DOING  
BUSINESS AS FRASER MILLS FERMENTATION**

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**PETITION TO THE COURT**

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FILE NO. 67095-61

AMK/HRH/rjb

**FULTON & COMPANY LLP**  
Lawyers & Trade-mark Agents  
300 – 350 Lansdowne Street  
Kamloops, B.C.  
V2C 1Y1  
Phone: (250) 372-5542

No.  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

BUSINESS DEVELOPMENT BANK OF CANADA

PETITIONER

AND

BEYOND THE GRAPE ON PREMISE WINEMAKING LTD. dba FRASER  
MILLS FERMENTATION

RESPONDENTS

McMillan Dubo Law Group  
#401 – 121 5<sup>th</sup> Avenue  
Kamloops, BC, V2C 0M1

Sherryl Dubo  
Solicitor for the Petitioner

CONSENT TO ACT

TAKE NOTICE THAT Chris Bowra, on behalf of BDO Canada Limited, if so appointed by the Supreme Court of British Columbia, hereby consents to act as Court-appointed receiver pursuant to section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 as amended, section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended, section 66 of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359, as amended and Rule 10-2(1) of the *Supreme Court Civil Rules*, B.C. Reg. 168/2009 as amended, over the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof of Beyond the Grape On Premise Winemaking Ltd. dba Fraser Mills Fermentation.

DATED at Vancouver, British Columbia and effective this 21<sup>st</sup> day of August, 2023.

BDO CANADA LIMITED.

Per:



Chris Bowra, CPA, CA, CIRP, LIT  
Vice President

This is Exhibit " P " referred to in the  
affidavit of R. Francisco  
Sworn before me at Calgary  
In the province of Alberta  
this 14 day of September 2023

C. McConnell  
A Commissioner of oaths and Notary Public in and for the Province of AB  
C. McConnell. Exp. Oct. 3/24

No. VLC-S-S-234019  
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

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BETWEEN:

**BUSINESS DEVELOPMENT  
BANK OF CANADA**

PLAINTIFF

AND:

**BEYOND THE GRAPE ON PREMISE  
WINEMAKING LTD.  
FRASER MILLS FERMENTATION  
COMPANY LTD.  
IAN DONALD MACKERRICHER  
MICHAEL EDWARD DRUCE  
DANIEL JOSEPH PARENT  
STEPHEN PAUL SHELDON  
WARREN TODD BOYER**

DEFENDANT

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**AFFIDAVIT**

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FILE NO. 1201-147

SAD/AEJ

**MCMILLAN DUBO LLP**  
320-301 Victoria Street  
Kamloops, BC V2C 2A3  
Phone: 778-765-1701