

2017 01 21491

SUPREME COURT NEWFOUNDLAND AND LABRADOR  
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the Receivership of  
Petroforma Inc.

AND IN THE MATTER of the  
*Bankruptcy and Insolvency Act*, RSC  
1985, c B-3, as amended

Estate No. 51-126021  
Court No. 21491

BETWEEN:

THE TORONTO-DOMINION BANK

APPLICANT

AND

PETROFORMA INC.

RESPONDENT

AFFIDAVIT

I, Jason Breeze, CIRP, LIT, of the Halifax Regional Municipality, Province of Nova Scotia, make oath and say as follows:

1. I am a Licensed Insolvency Trustee and Vice President of BDO Canada Limited (“BDO” or “the Receiver”) and as such have personal knowledge of the matters herein deposed except where otherwise stated to be by way of opinion or information and belief.

**Receivership**

2. On July 14, 2017, BDO became the Private Receiver of the assets and undertakings of Petroforma Inc. (“Petroforma”) having been appointed by the Toronto-Dominion Bank (“TD”) pursuant to the terms of certain security agreements between Petroforma and TD. A true copy of the Private Receivership appointment is annexed hereto as Exhibit “A”.
3. By Order of this Honourable Court issued on August 10, 2017 (the “Receivership Order”), a true copy of which is annexed hereto as Exhibit “B”, BDO was appointed the Receiver of all of the assets, undertakings, and property of the Respondent, as defined in paragraph 2 of the Receivership Order (the “Property”).

## Security

4. The particulars of the security granted by the Respondent in favour of the Applicant are set out in the Affidavit of Vitaly Kormakov, sworn July 28, 2017 and on file in the within proceeding (the "Kormakov Affidavit"). In summary, Respondent granted to the Applicant a security interest in all of its respective present and after acquired personal property and a security interest over specific collateral.
5. I caused to be obtained an appraisal of the Property of the Respondent, which consists of laboratory equipment, office equipment, and a motor vehicle. Annexed hereto and marked as Exhibit "C" is a true copy of the appraisal of the Assets. I confirm that the appraisal report and the results thereof were not disclosed to any prospective purchaser.
6. The motor vehicle owned by Petroforma, a 2014 Toyota Tacoma, was subject to a specific security agreement in favour of Toyota Credit Canada. Toyota Credit Canada properly registered its financing statement in the Newfoundland and Labrador Personal Property Registry on October 14, 2014, as Registration No. 12394771. Upon request the Receiver released the vehicle to Toyota Credit Canada.


## Sales Process


7. The Receiver received a number of unsolicited expressions of interest to purchase the Property, as described in Paragraph 2 of the Receivership Order. In response to these expressions of interest the Receiver prepared a Non-Disclosure Agreement to be distributed to interested parties. The Receiver also prepared a Sale Offer and Terms and Conditions which it issued to parties whom, after review of the material provided under the terms of the Non-Disclosure Agreement, expressed their intention to submit an offer to the Receiver for the purchase of the Property. The Non-Disclosure Agreement and Sale Offer are annexed hereto as Exhibit "D" and Exhibit "E", respectively.
8. Five different parties contacted the Receiver to request a copy of the Non-Disclosure Agreement and related information. As a result of the disclosure of the information pertaining to the business operations of the Respondent, the Receiver received one offer for the purchase of the Property and, following negotiations with the offeree, Pluto Investments Inc. (the "Purchaser") or its assigns, on September 6, 2017 (the "Acceptance Date"), the Receiver accepted an offer for the Property (the "Offer"), subject to Court Approval. The Offer is annexed hereto as Exhibit "F".
9. In summary, the Offer accepted by the Receiver for the Property contains the following terms:
  - a. Purchase price of \$700,000;
  - b. All uncollected pre-receivership accounts receivable are to the account of the Purchaser as of 5:00 PM ADT on the Acceptance Date;

- c. All pre-receivership accounts receivable collected by the Receiver prior to 5:00 PM ADT on the Acceptance Date are to the account of the Receiver;
  - d. All post-receivership accounts receivable generated by the Receiver, collected or uncollected, are to the account of the Receiver;
  - e. The Purchaser was provided 21 days from the Acceptance Date to conduct its due diligence on transactions contemplated in the Offer.
10. Subsequent to the expiry of the due diligence period on September 27, 2017, the Purchaser assigned the Offer to Avalon Analytics Inc. (the "Assignee Purchaser"). Following negotiations between the Assignee Purchaser and the Receiver, the parties agreed to the terms of a Receiver's Asset Purchase Agreement (the "Agreement") on October 10, 2017, subject to Court Approval. The Agreement follows the terms of sale as set out in the Offer and further incorporates an adjustment for post-receivership work in progress generated by the Receiver as of the closing date. A true copy of the Agreement is annexed hereto as Exhibit "G".
  11. The Offer which the Receiver is prepared to accept bears a reasonable relationship to the appraised value of the Property, and represents a favourable return to the first secured creditor.
  12. The Receiver truly and verily believes that the price offered for the Property by the Purchaser represents the best obtainable price for the Property in the circumstances, including a review of the appraised value of the Property.

**Conclusion**

13. The Receiver seeks the approval of this Honourable Court of the sale of the Property to the Assignee Purchaser identified herein.
14. I make this Affidavit in support of the application to this Honourable Court for approval of the sale of the Property in accordance with the Receivership Order.

SWORN TO at Halifax Regional )  
Municipality, in the )  
Province of Nova Scotia )  
this 17<sup>th</sup> day of October )  
2017, before me )  
) )  
) )  
 )  
\_\_\_\_\_) )  
A Notary Public in a for the )  
Province of Nova Scotia )  
MY COMMISSION DOES NOT EXPIRE )

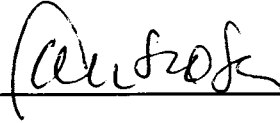
  
\_\_\_\_\_  
Jason Breeze, CIRP, LIT

**THIS IS EXHIBIT "A"  
TO THE AFFIDAVIT OF**

**Jason Breeze**

**SWORN TO BEFORE ME**

**THIS 17<sup>th</sup> DAY OF October, 2017**

A handwritten signature in black ink, appearing to read "Mark Rosen", is written over a horizontal line.

**Mark Rosen  
A Notary Public in and for the  
Province of Nova Scotia**



## Commercial Banking

1350, René-Lévesque boulevard West, 7th Floor  
Montreal, Quebec H3G 1T4  
Tel: (514) 289-0101

BDO Canada Limited  
255 Lacewood Drive, Suite 201  
Halifax, NS B3M 4G2

Attention: Mark Rosen

July 12, 2017

Dear Sirs:

**Re: Petroforma Inc. (the "Company")**

The Company is indebted to The Toronto-Dominion Bank (the "Lender") in the amount of \$642,564.29. As part of the security for the indebtedness of the Company to the Lender, we hold the following security:

- General Security Agreement in favour of the Lender as against all of the Company's present and after acquired personal property and all proceeds thereof. The aforementioned security was registered by the Lender pursuant to the *Personal Property Security Act (Newfoundland and Labrador)* on February 16, 2015, by way of a PPSA Financing Statement bearing Registration Number 12670667;
- Security Agreement in favour of the Lender as against specific collateral. The security described in this paragraph was registered by the Lender pursuant to the *Personal Property Security Act (Newfoundland and Labrador)* on April 1 2015, by way of a PPSA Financing Statement bearing Registration Number 12730271 and amended on February 15, 2016 by way of Registration Number 13676424;
- General Security Agreement in favour of the Lender as against all of the Company's present and after acquired personal property and all proceeds thereof. The aforementioned security was registered by the Lender pursuant to the *Personal Property Security Act (Newfoundland and Labrador)* on April 1, 2015, by way of a PPSA Financing Statement bearing Registration Number 12768743 and amended on February 15, 2016 by way of Registration Number 13676432;
- Security Agreement in favour of the Lender as against specific collateral. The security described in this paragraph was registered by the Lender pursuant to the *Personal Property Security Act (Newfoundland and Labrador)* on September 21, 2016, by way of a PPSA Financing Statement bearing Registration Number 14328264 and amended on September 21, 2016, by way of Registration Number 14329346;

The foregoing will be individually and collectively referred to as the "Security" and any all collateral charged by the Security will be referred to as the "Collateral".

We advise that copies of the Security are enclosed or have been previously delivered to you.

We confirm that events of default under the Security have occurred and the security interest provided in the Security has become enforceable. We also confirm that the 10 day notice contemplated by Section 244 of the *Bankruptcy & Insolvency Act* has been delivered to the Company and that the notice period has expired or that the Company has waived the notice period.

To the best of our knowledge, no other person has security over the Collateral ranking in priority to the Security and the Lender wishes to appoint a receiver and manager over the Collateral.

The Lender hereby appoints BDO Canada Limited ("BDO") to be the receiver and manager pursuant to the Security with all and every power and authority specified by the Security in this regard, including, without limitation, the following powers:

- To take immediate possession of the Collateral;
- To take such steps as you deem appropriate for the preservation of the Collateral;
- To carry on or to concur in carrying on the business of the Company in whole or in part;
- To sell, lease or dispose and concur in the selling, leasing or disposing of all or any part of the Collateral in such a manner as you may determine;
- To enter into any compromise or arrangement on behalf of the Company; and
- With our prior written consent, to borrow money in BDO's name or in the Company's name for the purpose of carrying on the business of the Company, and preserving and realizing on the Collateral.

The Lender acknowledges that BDO is not obliged to exercise all of the powers granted herein.

The Lender agrees to cooperate with BDO and provide BDO with all information and records in its possession regarding the Company which BDO may request from time to time.

#### **Realizations**

All monies received by BDO after providing for all priority claims, costs, charges and expenses related to the exercise of any of its powers shall be applied in or towards satisfaction of the Security, not to exceed the Amount outstanding plus interest due.

#### **Reporting**

BDO shall report directly to the Lender in writing or as otherwise requested by the Lender.

#### **Staffing**

This engagement will be under the direction of Mark Rosen, who will maintain overall responsibility for the engagement on behalf of BDO. BDO is authorized to use any of its employees or outside agents, as BDO considers necessary, in the fulfillment of its mandate.

The members of the engagement team may be drawn from the resources of BDO and those of its affiliated and related partnerships and corporations, including those of other BDO member firms in countries outside of Canada, as deemed appropriate, during the conduct of this engagement.

**Fees/Remuneration**

The Lender agrees that BDO's fees for this engagement will be based upon hours spent by those individuals assigned to this matter plus HST and expenses including, but not limited to, travel, meals, accommodations, long-distance telecommunications, photocopying, delivery, postage, and/or third-party clerical assistance. The hourly rates charged by BDO under this engagement are as follows:

|                          |                        |
|--------------------------|------------------------|
| Partners                 | \$425 - \$450 per hour |
| Managers/Senior Managers | \$285 - \$375 per hour |
| Administrative/Seniors   | \$70 - \$155 per hour  |

The Lender authorizes BDO to pay BDO's fees and expenses out of any proceeds realized in the selling, leasing or disposal of the Collateral.

**Other Matters**

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

Yours very truly,

TD Canada Trust

Per: 

Name: VINCENT SARRILLO  
I have the authority to bind the Lender

BDO Canada Limited hereby consents to act as receiver and manager to the Lender in accordance with the terms of the foregoing dated this 14<sup>th</sup> day of July, 2017.

BDO CANADA LIMITED

Per: 

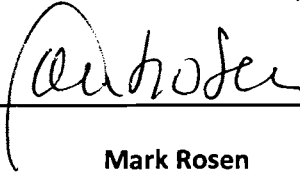
Name: MARK S. ROSEN

**THIS IS EXHIBIT "B"  
TO THE AFFIDAVIT OF**

**Jason Breeze**

**SWORN TO BEFORE ME**

**THIS 17<sup>th</sup> DAY OF October, 2017**

A handwritten signature in black ink, appearing to read "Mark Rosen", is written over a horizontal line.

**Mark Rosen  
A Notary Public in and for the  
Province of Nova Scotia**



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Estate No.  
Court No.

BETWEEN:

THE TORONTO-DOMINION BANK

APPLICANT

AND:

PETROFORMA INC.

RESPONDENT

**RECEIVERSHIP ORDER**

BEFORE THE HONOURABLE JUSTICE *Goodridge*

**UPON APPLICATION** by the Applicant for an order, under subsection 243(1) of the *Bankruptcy and Insolvency Act* (the "BIA") to appoint BDO Canada Limited as receiver (the "Receiver") without security, of all of the assets, undertakings and property of Petroforma Inc. (the "Respondent");

**AND UPON HEARING** Darren O'Keefe, of counsel for the Applicant, and other counsel appearing; and

**AND UPON READING** the Application and the Affidavit of Vitaly Kormakov, Account Manager with TD, and Jason Breeze, Licensed Insolvency Trustee with BDO Canada Limited, currently acting as Privately Appointed Receiver.



|  |       |              |    |
|--|-------|--------------|----|
|  | Filed | Aug 14, 2017 | TW |
|--|-------|--------------|----|

**THIS COURT HEREBY ORDERS AS FOLLOWS:**

**Service**

1. The time for service of the Application is hereby abridged and validated, and the service of the Application on the Respondent is hereby validated, so that this application is properly returnable today and further service of the Application is hereby dispensed with.

**Appointment**

2. Pursuant to subsection 243(1) of the BIA, and Rule 25(1) of the *Rules of the Supreme Court, 1986* the Receiver is hereby appointed receiver, without security, of all of the assets, undertakings, and property of the Respondent, acquired for, or used in relation to a business carried on by the Respondent, including any bank accounts/trust accounts in the name of the Respondent or in the name of the Receiver on behalf of the Respondent, and including all proceeds thereof (the "**Property**").

**Receiver's Powers**

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
  - (a) to take possession and control of the Property and any proceeds or receipts arising from the Property but, while the Receiver is in possession of any of the Property, the Receiver must preserve and protect it;
  - (b) to change locks and security codes, relocate the Property to safeguard it, engage independent security personnel, take physical inventories, and place insurance coverage;
  - (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel, and such other persons from time to time and on

whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (d) to purchase or lease such machinery, equipment, inventories, supplies, premises, or other assets to continue the business of the Respondent, or any part or parts thereof;
- (e) to receive and collect all monies and accounts now owed or hereafter owing to any one of the Respondent and to exercise all remedies of the Respondent in collecting such monies, including, without limitation, to enforce any security held by the Respondent;
- (f) to settle, extend, or compromise any indebtedness owing to any one of the Respondent;
- (g) to execute, assign, issue, and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Respondent, for any purpose pursuant to this Order;
- (h) to undertake environmental or workers' health and safety assessments of the Property and operations of the Respondent;
- (i) to initiate, prosecute, and continue the prosecution of any proceedings and to defend proceedings now pending or hereafter instituted with respect to the Property or the Receiver, and to settle or compromise any such proceedings, which authority extends to appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to make payment of any and all costs, expenses, and other amounts that the Receiver determines, in its sole discretion, are necessary or advisable to preserve, protect, or maintain the Property, including, without limitation



taxes, municipal taxes, insurance premiums, repair and maintenance costs, costs or charges related to security, management fees, and any costs and disbursements incurred by any manager appointed by the Receiver;

- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease, or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case the notice and sale provisions under the *Conveyancing Act* or under section 60 of the *Personal Property Security Act* shall not be required.

- (m) to sell the right, title, interest, property, and demand of the Respondent in and to the Property at the time the Respondent is granted a security interest or at any time since, free of all claims including the claims of subsequent encumbrancers;
- (n) to report to, meet with, and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property;

- (p) to apply for any permits, licences, approvals, or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Respondent;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondent including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any one of the Respondent;
- (r) to exercise any shareholder, partnership, joint venture, or other rights which the Respondent may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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

#### **Duty to Provide Access and Co-Operation to the Receiver**

4. The Respondent, all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, **Persons**, and each a **Person**) shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control or of which they have knowledge of the existence thereof, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of



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

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

**No Proceedings Against the Receiver**

7. No proceeding or enforcement process in any court or tribunal (each, a **Proceeding**) shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

**No Proceedings Against the Respondent or the Property**



8. No Proceeding against or in respect of the Respondent or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Respondent or the Property are hereby stayed and suspended pending further order of this Court.

**No Exercise of Rights or Remedies**

9. All rights and remedies of any individual, firm, corporation, governmental body or agency or any other entities against the Respondent, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Respondent to carry on any business which the Respondent is not lawfully entitled to carry on; (ii) exempt the Receiver or the Respondent from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien and the related filing of an action to preserve the right of a lien holder, provided that the Applicant shall not be required to file a defence to same as the further prosecution of any such claim is stayed except with the written consent of the Applicant or the Receiver, or leave of this Court.

**Personal Property Lessors**

10. All rights and remedies of any Person pursuant to any arrangement or agreement to which the Respondent is a party for the lease or other rental of personal property of any nature or kind are hereby restrained except with consent of the Receiver in writing or leave of this Court. The Receiver is authorized to return any Property which is subject to a lease from a third party to such Person on such terms and conditions as the Receiver, acting reasonably, considers appropriate and upon the Receiver being satisfied as to the registered interest of such Person in the applicable Property. The return of any item by the Receiver to a Person is without prejudice to the rights or claims of any other Person to the property returned or an interest therein.



**No Interference with the Receiver**

- 11. Subject to paragraph 16 of this Order related to the Respondent's employees, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Respondent, without written consent of the Receiver or leave of this Court.

**Continuation of Services**

- 12. All Persons having oral or written agreements with the Respondent, or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Respondent, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Respondent's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Respondent or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.
- 13. The Receiver, in its sole discretion, may, but shall not be obligated to, establish accounts or payment on delivery arrangements with suppliers in its name on behalf of the Respondent for the supply of goods or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, or other services to the, if the Receiver determines that the opening of such accounts is appropriate.
- 14. No creditor of the Respondent shall be under any obligation as a result this Order to advance or re-advance any monies or otherwise extend any credit to the Respondent.

**Receiver to Hold Funds**





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

### **Employees**

16. All employees of the Respondent shall remain employees until such time as the Receiver, on the Respondent's behalf, may terminate the employment of such employees or they resign in accordance with their employment contract. The Receiver shall not be liable as a result of this Order for any employee-related liabilities, including any successor employer liabilities as provided for in subsection 14.06(1.2) of the BIA, wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, such amounts as may be determined by a court or tribunal of competent jurisdiction.

### **PIPEDA**

17. Pursuant to paragraph 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**") as permitted at law. Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. A

prospective purchaser or bidder requesting the disclosure of personal information shall execute such documents to confirm the agreement of such Person to maintain the confidentiality of such information on terms acceptable to the Receiver. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Respondent, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **Limitation on Environmental Liabilities**

18. Nothing herein contained shall require or obligate the Receiver to occupy or to take control, care, charge, occupation, possession, or management (separately or collectively, "**Possession**") of any of the Property that might, or any part thereof, which may be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial, or other legislation, statute, regulation or, rule of law or equity respecting the protection, conservation, enhancement, remediation, or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, *the Canadian Environmental Protection Act, 1999*, SC 1999 c. 33, as amended, *the Environmental Protection Act*, SNL 2002 c. E-14.2, as amended, *the Water Resources Act*, SNL 2002 c. W-4.01, as amended, or *the Occupational Health and Safety Act*, RSNL 1990 c. O.3, as amended, and any regulations made thereunder (collectively, the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.

#### **Limitation on Liability**

19. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this



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

### **Receiver's Accounts**

20. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge to a maximum of \$100,000.00 (the "**Administrative Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and the Administrative Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges, and encumbrances, statutory or otherwise, in favour of any Person, but subject to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
21. The Receiver and its legal counsel shall pass its accounts from time to time before a judge of this Court or a referee appointed by a judge.
22. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees, expenses and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **Receiver's Indemnity Charge**

23. The Receiver shall be entitled to and is hereby granted a charge (the "Receiver's Indemnity Charge") upon all of the Property as security for all of the obligations incurred by the Receiver including obligations arising from or incident to the performance of its duties and functions under this Order, under the Bankruptcy and Insolvency Act, or otherwise, saving only liability arising from negligence or actionable misconduct of the Receiver.
24. The Receiver's Indemnity Charge shall form a second charge on the Property in priority to all security interests, trusts, liens, charges, and encumbrances, statutory or

otherwise, in favour of any Person, but subject to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA and subordinate in priority to the Administrative Charge.

#### **Allocation of Costs**

25. The Receiver shall file with the Court for its approval a report setting out the costs, fees, expenses, and liabilities of the Receiver giving rise to the Administrative Charge, the Receiver's Indemnity Charge, and the Receiver's Borrowings Charge, as defined below, and, unless the Court orders otherwise, all such costs, fees, expenses, and liabilities shall be paid as agreed by the senior secured creditors, in the following manner:
- (a) Firstly, applying the costs incurred in the receivership proceedings specifically attributable to an individual asset or group of assets against the realizations from such asset or group of assets;
  - (b) Secondly, applying the costs *pro rata* against all of the assets based on the net realization from such asset or group of assets; and
  - (c) Thirdly, applying non-specific costs incurred in the receivership proceedings *pro rata* against the assets based on the net realization from such asset or group of assets.

#### **Funding of the Receivership**

26. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000.00, or such greater amount as this Court may by further order authorize, at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of making payments, including interim payments, required or permitted to be made by this Order, including, without limitation, payments of amounts secured by the Administrative Charge and the Receiver's Indemnity Charge. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security



interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Indemnity Charge, the Administrative Charge and the charges as set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

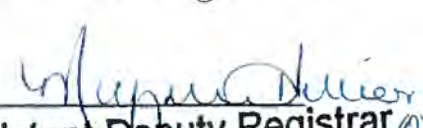
27. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court on seven days' notice to the Receiver and the Applicant.
28. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
29. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **General**

30. The Receiver may from time to time make a motion for advice and directions in the discharge of its powers and duties hereunder.
31. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondent.
32. The aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction outside Newfoundland and Labrador is hereby requested to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, and regulatory or administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

33. The Receiver is hereby authorized and empowered to apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
34. The Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Respondent's estate with such priority and at such time as this Court may determine.
35. Any interested party may make a motion to vary or amend this Order upon such notice required by the *Rules of the Supreme Court, 1986* or on such notice as this Court may order.
36. Any Person affected by this Order which did not receive notice in advance of the hearing may make a motion to vary or amend this Order within five days of such Person being served with a copy of this Order.
37. In addition to the reports to be filed by the Receiver under legislation, the Receiver shall file a report of its activities with the Court when the Receiver determines that a report should be made, when the Court orders the filing of a report on the motion of an interested party or on the Court's own motion, and at the conclusion of the receivership.
38. The Receiver shall not be discharged without notice to such secured creditors and other parties as the Court directs.

DATED AT St. John's, Newfoundland and Labrador this 10 day of August, 2017.

  
Assistant Deputy Registrar (1)

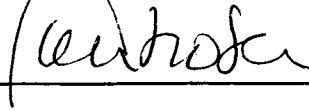


**THIS IS EXHIBIT "C"  
TO THE AFFIDAVIT OF**

**Jason Breeze**

**SWORN TO BEFORE ME**

**THIS 17<sup>th</sup> DAY OF October, 2017**



A handwritten signature in black ink, appearing to read "Mark Rosen", is written over a horizontal line.

**Mark Rosen  
A Notary Public in and for the  
Province of Nova Scotia**



## **CASTLE APPRAISALS LTD.**

66 Castlewood Drive • Dartmouth, NS • B2V 2R3  
Phone: (902) 209-0057 • Fax: (902) 435-1652 • E-Mail: [effman@ns.sympatico.ca](mailto:effman@ns.sympatico.ca)



### **Equipment Appraisal Report**

**(Fair Market & Forced Sale Values)**

of

**Petroforma Laboratories  
85C Bremigens Blvd., Paradise, NL A1L 4A2**

**Prepared For:**

**Jason Breeze  
BDO Canada Limited**

**Prepared By:**

**Elliot Offman A.A.  
Castle Appraisals Valuation Services  
July 18, 2017**

**Member:**

**Canadian Association of Personal Property Appraisers**







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## CASTLE APPRAISALS LTD.

66 Castlewood Drive • Dartmouth, NS • B2V 2R3  
Phone: (902) 209-0057 • Fax: (902) 435-1652 • E-Mail: eoffman@ns.sympatico.ca



To: Jason Breeze  
BDO Canada Limited  
255 Lacewood Dr., Suite 201  
Halifax, N.S. B3M 4G2

From: Elliot Offman

Subject: Petroforma Laboratories  
85C Bremigens Blvd.  
Paradise, NL A1L 4A2  
Equipment Appraisal

18/07/2017

Dear Mr. Breeze:

In response to your request we have done an independent appraisal of the equipment belonging to Petroforma Laboratories to assist with an equipment analysis for business planning purposes. Subsequent to our on-site inspection on Wednesday, March 22, 2017, we have prepared our report as of that date. Our analysis and conclusions are subject to our Statement of Methodology, Certification, Assumptions and Limiting Conditions .

In the course of our valuation, we used and relied upon information obtained from various public and industry sources. Our value conclusion is dependent on such information being complete and accurate in all material respects. However, as is normal in valuations we can accept no responsibility for the accuracy and completeness of such provided information.

Of the several available methods used to determine appraised value two are most appropriate in this particular instance. The first is what is known as the "Fair Market Value" or the most probable price accommodating chattels (equipment) should bring in a fair and open market, under all conditions requisite to a fair sale, the buyer and the seller each acting prudently and knowledgeably where the buyer and seller are typically motivated and price represents the normal consideration for assets sold unaffected by special or creative financing or sales concessions by anyone associated with the sale. The second method is what is known as the "Forced Sale Value" or the estimated most probable price estimated in Canadian currency, which could typically be realized at a properly advertised and conducted public auction sale or tender held under forced sale conditions taking place in a short period of time usually within thirty days, and under present day economic trends as of the effective date of this appraisal report. Conclusions taken into consideration are physical location, difficulty of removal, physical condition, adaptability, specialization, marketability, over-all appearance and psychological appeal. All items are to be sold on a piece meal basis "as is, where is" with the purchaser responsible for the removal of the assets at his own risk and expense. Any deletions to the total amount appraised would affect the psychological and/or the monetary appeal to gain the price indicated.



The reader should note, there are additional costs associated with this method such as advertising and sales commissions or auction fees. However, in order to most accurately determine an appraised value the following factors have been examined in determining an appraised value: 1) whether and at what cost is equipment available which is a suitable replacement or substitute for that in place 2) whether a market exists given the age and condition of the equipment should it be necessary to liquidate.

Based on the above and the attached Schedule containing a complete breakdown of the equipment, we would estimate the "Fair market Value" at \$998,585.00 and the "Forced Sale Value" at \$389,055.00.

### **APPROACHES TO VALUES:**

**Comparison Sales Approach:** The primary intent of this approach is to determine the desirability of the asset and recent sales offerings of similar assets currently on the market in order to arrive at an indication of the most probable selling price for the asset being appraised. If the comparable sales are not exactly similar to the assets being appraised, adjustments must be made to bring them as closely in line as possible with the subject property.

**Cost Approach:** This approach is based on the proposition that the informed purchaser would pay no more for an item than the cost of producing a substitute item with the same utility as the subject item. It considers that the maximum value of the item to a knowledgeable buyer would be the amount currently required to construct or purchase anew asset of equal utility. When the subject asset is not new, the current cost must be adjusted for all forms of depreciation as of the effective date of the appraisal.

**Income Approach:** This approach considers the value in relation to the present worth of future benefits derived from ownership and is usually measured through the capitalization of a specific level of income. This approach is the least common approach used in the valuation of machinery because it is difficult to isolate income attributable to such assets.

**Depreciation:** defines as the actual loss in value or worth of equipment from all causes including those resulting from physical deterioration, functional obsolescence, and economical obsolescence.

**Physical Deterioration:** A form of depreciation where the loss in value or usefulness of an asset is attributed solely to physical causes such as wear and tear and exposure to the elements.

**Functional Obsolescence:** A form of depreciation where the loss in value is due to factors inherent in the equipment itself and due to change in design, or process resulting in inadequacy, over capacity, excess construction, lack of functional utility, or excess operating cost.

**Physical Deterioration:** A form of depreciation where the loss in value or usefulness of an asset is attributed solely to physical causes such as wear and tear and exposure to the elements.

**Functional Obsolescence:** A form of depreciation where the loss in value is due to factors inherent in the equipment itself and due to change in design, or process resulting in inadequacy, over capacity, excess construction, lack of functional utility, or excess operating cost.





**Economical Obsolescence:** A form of depreciation or loss in value, caused by unfavorable external conditions. These can include such things as the economics of the industry, availability of financing, loss of material or labor source, passage of new legislation, and change in ordinances.

## **METHODOLOGY, CERTIFICATION, ASSUMPTIONS & LIMITING CONDITIONS:**

In the course of analysis, Castle Appraisals Limited performed the following procedures:

- 1) Physically inspected the Company's machinery and equipment to determine the age and condition of the designated assets with information listings supplied by the company.
- 2) Conducted discussions with the Company's representative (if available) concerning the use, maintenance, condition of the designated assets and financial data. Information provided by them has been assumed to be correct for the purposes of this report and no responsibility is taken for the accuracy of the same.
- 3) Analyzed the Company's designated assets to determine the resale market potential.
- 4) Considered physical deterioration, useful life, functional obsolescence and economic obsolescence in our valuation of the designated assets.
- 5) As in most appraisals, the sales comparison approach has been utilized. It is that in which recent auction and private liquidation sales of similar machinery and equipment are analyzed to arrive at an indication of the most probable selling price of the assets being sold. The logic behind the sales comparison approach is the principal of substitution, which addresses the theory that a reasonable and prudent buyer will not pay more for the equipment than the cost of acquiring a similar piece of equipment at a lower price. The market consists of used dealers, auctions, public and private sales. The appraiser gathers data on sales of comparable assets and analyses the nature and condition of each sale, making logical adjustments for dissimilar characteristics. Typically, a common denominator is found such as similar make, model and date of manufacture.

All facts and data set forth in this report are true and accurate to the best of the appraiser's knowledge and belief. This report has been completed in accordance with the guidelines established by the "Uniform Standards of Professional Appraisal Practice" and reflects the best judgment of the appraiser.

No responsibility is assumed for matters of a legal nature, which might affect the assets that is the subject of this appraisal. In particular, but without limiting the generality of the foregoing, the annexed appraisal assumes that the assets are not subject to any liens, encumbrances, or impediments to its free transferability and that such assets conform to all statutes, regulations and codes that might relate to or affect use, sale, or other disposition of such assets.

The reader is advised to consult with his/her attorney on general rules of law as they apply to the assets.



The opinions as to the value stated in this report are premised upon the specific methods of sale discussed herein and must not be used in conjunction with any other proposed method of disposition.

The appraisal is based upon the value of the assets as of the date of this report and is subject to change, among other things including changes in the market or the composition of the assets, which could have a significant effect upon the value. Castle Appraisals Limited assumes no responsibility for economic or physical factors occurring subsequent to the date of this report.

Elliot Offman and Castle Appraisals Limited have no present or prospective interest in the property that is the subject of this report and the appraiser has no personal interest or bias with respect to the parties involved.

Elliot Offman is an accredited member in good standing of the Canadian Association of Personal Property Appraisers and has prepared this report in compliance with their standards and practices. This report is subject to review by the Canadian Association of Personal Property Appraisers or by their duly authorized committee.

Compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

All opinions as to the value are presented as the appraiser's considered opinion, based on the facts and data set forth in the report. The values reported herein are an opinion only and not a warranty or a representation of fact. No responsibility is assumed for any inability to sell the assets at the values projected herein. Other than stated herein, no representation, warrant, or statement is made as to the value or marketability of the assets. Neither all nor any part of the contents of this appraisal shall be conveyed to other parties without written consent of Castle Appraisals Limited.

This report shall remain the property of Castle Appraisals Limited until paid in full. Should the report not be paid for in full, all or any usage of the information herein is strictly prohibited.

The opinions expressed herein are valid only for the express and stated purpose of providing information and assistance to the parties to whom this report is specifically addressed and to their counsel in connection with the proposed financing and are not in any way, implied or expressed, to be construed, used, circulated, quoted, relied upon, or otherwise referred to for any other purpose.

The appraiser's opinion of machinery and equipment condition is derived from a limited visual inspection and/or discussion with maintenance personnel or operators, if available. The equipment was not tested under power for defects.

The values reported assume the equipment is operational and serviceable unless otherwise stated in this report.





The values stated are valid for 45 days from the date of the appraisal. Values beyond the time frame indicated should be reviewed and updated.

Castle Appraisals Limited reserves the right to recall all copies of this report to correct any errors or omissions.

The fee for this appraisal does not cover attendance at hearings, judicial or otherwise. Any work subsequent to this report will be billed at a separate rate, to be determined as applicable. Digital pictures are available upon request. Please feel free to contact us should you require additional information.

Thank you,

A handwritten signature in black ink, appearing to read "E. Offman", is written over a light blue horizontal line.

Elliot Offman A.A.  
Appraiser  
Castle Appraisals Limited

### **Comments & Recommendations:**

Laboratory or scientific equipment appeals to a limited client base made up of research facilities; government and private along with hospitals and universities. Interest in the equipment will come from organizations based out of province or even out of the country. Auction costs, on a break up basis, will range between 35% and 40% of the "Forced Sale Value" for two reasons. Firstly, the restrictive appeal of the assets and secondly, the location of the assets. In this particular instance, if no deal can be made with a buyer to purchase the assets on a going concern basis recapture amounts for the equipment will not be very high.

## Petroforma Inc. Equipment

| Description   | List# | Qty | Fair Market Value | Forced Sale Value |
|---|-------|-----|-------------------|-------------------|
| <b>Oil &amp; Gas Lab</b>  |       |     |                   |                   |
| Elga Purelab Option 0R015XXM1 Reverse Osmosis System                    | E155  | 1   | 3,500.00          | \$1,000.00        |
| 4 Wheel Plastic Cart  |       | 18  | 1,800.00          | 900.00            |
| Metrohm 881 Compact IC Pro Chromatograph With                           | E017  | 1   | 32,500.00         | 8,500.00          |
| Metrohm 896 Professional Detector                                       | E018  | 1   | added             | added             |
| Agilent Gas Chromograph Auto Sampler 6850                               | E038  | 1   | 11,500.00         | 3,500.00          |
| Agilent 7890A GC Series 0-1 With Analytical Detector Control            | E035  | 1   | 10,500.00         | 3,000.00          |
| Agilent 200 Series AA Atomic Absorption                                 | E037  | 1   | 9,000.00          | 2,500.00          |
| Agilent SPS 3 Auto Sampler  |       | 1   | 5,000.00          | \$1,200.00        |
| Thermo Scientific 1CAP QC/Quadrupole ICP-MS Spectrometer                | E219  | 1   | 82,000.00         | 25,000.00         |
| Folding Table 4 Ft  |       | 1   | 50.00             | 25.00             |
| Cetac Auto Sampler  | E220  | 1   | 2,500.00          | 750.00            |
| Stainless Steel Table 3ft x 30in  |       | 2   | 200.00            | 100.00            |
| Mandel Scientific Total Organic Carbon Analyser TOC-5000A Ser#34501048A | E236  | 1   | 2,000.00          | 400.00            |
| Iatroscam MK6S Dual Detector System                                     | E003  | 1   | 3,600.00          | 1,000.00          |
| NIKKO Incubator   | E227  | 1   | 200.00            | 100.00            |
| Fisher Scientific Isotemp Oven (Incubator) DV700G Ser#2148100353530     | E010  | 1   | 500.00            | 150.00            |
| Wilkens-Andersen Separator  | E013  | 1   | 150.00            | 25.00             |
| Thermo Scientific Cimarec Stirring Hotplate                             | E014  | 1   | 300.00            | 50.00             |
| Hart Scientific Fluke 1529 Chub E4 Thermometer Ser#A73470               | E289  | 1   | 3,000.00          | 1,000.00          |
| Barnstead Thermolyne Maxi Mix Speed Control Type 37600                  | E002  | 1   | 150.00            | 50.00             |
| Koehler Inst. Co Utility Heater 60 HZ 1000W                             | E005  | 1   | 500.00            | 200.00            |
| Thermo Scientific Neslab RTE-7 Recirculating Water Bath                 | E032  | 1   | 1,150.00          | 300.00            |
| Microbics Toxicity Analyser M500 Ser#5001063                            | E166  | 1   | 550.00            | 200.00            |
| Fisher Scientific Isotemp Oven (Incubator) 750F Ser#60800152            | E136  | 1   | 700.00            | 300.00            |
| Mettler Toledo AG285 Ser#1119382026                                     | E072  | 1   | 1,200.00          | 550.00            |
| Sartorius Top Loading Balance LA1200S Ser#179095806                     | E011  | 1   | 3,000.00          | 1,200.00          |
| HACH DR 3900 Spectrophotometer Ser#1630608                              | E239  | 1   | 2,500.00          | 1,000.00          |
| HACH DRB200 Reactor Ser# 15080C0203                                     | E241  | 1   | 600.00            | 250.00            |
| HACH DRB201 Reactor Ser#16120C0386                                      | E301  | 1   | 600.00            | 250.00            |
| Fisher Scientific AB40 Oxygen Meter                                     | E230  | 1   | 500.00            | 200.00            |
| HACH 2100Q Turbidity Meter  | E244  | 1   | 1,000.00          | 300.00            |
| Corning Magnetic Stirrer PC-353   | nil   | 1   | 75.00             | 25.00             |
| Symphony SB80PC PH Meter  | E208  | 1   | 190.00            | 50.00             |
| Fisher Scientific Accumet XL25 Meter                                    | E258  | 1   | 175.00            | 50.00             |
| Fisher Scientific 120S Stirrer  | E162  | 1   | 125.00            | 25.00             |
| Fisher Scientific Isotemp Incubator 3720 Ser#3720A/3720                 | E301  | 1   | 3,000.00          | 1,200.00          |
| Fume Hood 6ft   | E313  | 1   | 4,000.00          | 1,500.00          |
| Fisher Scientific FS60D   | E014  | 1   | 150.00            | 25.00             |
| Gast Vacuum Pump DAA-V715-EB  | E015  | 1   | 500.00            | 175.00            |
| Chandler Engineering 3000GL PVT System Ser#6583 With                    | E024  | 1   | 225,000.00        | 100,000.00        |
| Quizix Pump Q6620-174-H-ES-1 & Accessories                              | E120  | 1   | added             | added             |
| Chandler Engineering 3000GL PVT System Ser#6574 With                    | E121  | 1   | 225,000.00        | 100,000.00        |
| Chandler Engineering Quizix Pump Q6620-174-H-ES-1                       | E023  | 1   | added             | added             |
| Thermolyne F6000 Furnace Ser#40800929                                   | E238  | 1   | 6,500.00          | 3,000.00          |
| Chandler Engineering Gasometer 2331B                                    | E304  | 1   | 7,500.00          | 2,500.00          |
| Chandler Equipment Flash Separator                                      | E029  | 1   | 4,000.00          | 1,500.00          |
| Home Made Shaking Device  | E027  | 1   | 500.00            | 150.00            |
| Heise 10,000 PSI Digital Pressure Indicator 901A Ser#S9-31378           | E308  | 1   | 65.00             | 20.00             |
| Chandler Scientific Hand Pump With Read Out                             | E306  | 1   | 9,000.00          | 3,500.00          |
| Leather & Metal Stools  |       | 9   | 900.00            | 450.00            |
| Anton Paar DMA Density Meter Hand Held                                  | nil   | 1   | 4,000.00          | 2,000.00          |
| Fisher Isotemp Fridge 50FREEFSA Ser#511N0016                            | E274  | 1   | 3,500.00          | 1,200.00          |
| Danby 4ft Domestic Freezer  |       | 4   | 400.00            | 200.00            |
| Habco Double Door Cooler  | E154  | 1   | 2,000.00          | 1,000.00          |
| Habco Double Door Cooler  | E152  | 1   | 2,000.00          | 1,000.00          |
| Flammable Double Door Storage Cabinet 5ft x 3ft                         | nil   | 1   | 1,000.00          | 500.00            |
| Acid Storage Cabinet  | nil   | 1   | 500.00            | 250.00            |
| Portable Compressor   | nil   | 1   | 200.00            | 100.00            |
| Thermo Scientific Thermo Flex 2500 Chiller                              | E221  | 1   | 6,500.00          | 2,500.00          |

|  |      |    |                   |                   |
|--|------|----|-------------------|-------------------|
| Type 5 Piston Sample Cylinder 700CC Volumetric Capacity With Certification & Sample Cylinder Transit Box | nil  | 44 | 66,000.00         | 17,600.00         |
| 20L Gas Sample Cylinder With Certification & Samle Cylinder Transit Box                                  | nil  | 11 | 8,800.00          | 4,000.00          |
| VWR Scientific Recirculator Chiller 1172 Ser#600136  | E081 | 1  | 1,650.00          | 500.00            |
| <b>Total</b>   |      |    | <b>763,980.00</b> | <b>299,020.00</b> |

**Water & Toxicology Lab**

|   |      |   |                  |                 |
|---|------|---|------------------|-----------------|
| Insulated Heavy Plastic Wharf Box 2,000 lb Capacity | nil  | 7 | 2,800.00         | 1,400.00        |
| Mini Spit Heat Pump                                 | nil  | 2 | 3,000.00         | 1,200.00        |
| Custom Made Stainless Steel Cooling Tank            | nil  | 4 | 2,400.00         | 500.00          |
| Cole Parmer Diaphragm Pump                          | E156 | 1 | 1,500.00         | 500.00          |
| Shark PH Meter                                      | nil  | 1 | 125.00           | 50.00           |
| Aquafine UV Disinfection Unit                       | E169 | 1 | 3,500.00         | 1,500.00        |
| Hydraulic Lift Table                                | nil  | 1 | 750.00           | 500.00          |
| The Pump 40   | E062 | 1 | 250.00           | 100.00          |
| Fisher Scientific AR 25 Dual Channel PH/Ion Meter   | E142 | 1 | 600.00           | 150.00          |
| Fisher Scientific XI 600                            | E089 | 1 | 2,000.00         | 750.00          |
| Fisher Scientific AR 25 Dual Channel PH/Ion Meter   | E197 | 1 | 600.00           | 150.00          |
| Fisher Scientific Stir Plate 120S                   | E163 | 1 | 125.00           | 25.00           |
| Pump 20   | E061 | 1 | 200.00           | 50.00           |
| Nikon Microscope SMZ -1B                            | E132 | 1 | 1,650.00         | 750.00          |
| Milton Roy Spectronic 20D                           | E159 | 1 | 100.00           | 30.00           |
| <b>Total</b>  |      |   | <b>19,600.00</b> | <b>7,655.00</b> |

**Microbiology Lab**

|  |      |   |           |           |
|--|------|---|-----------|-----------|
| True Double Door Cooler  | E151 | 1 | 2,000.00  | 1,000.00  |
| True Double Door Cooler  | E297 | 1 | 2,000.00  | 1,000.00  |
| Fume Hood 6ft  | nil  | 1 | 4,000.00  | 1,500.00  |
| New Brunswick Scientific Autoclave                               | nil  | 1 | 2,500.00  | 1,000.00  |
| Corning DC-101 Hot Plate Stirrer                                 | nil  | 1 | 200.00    | 50.00     |
| Sartorius Top Loading Balance LA1200S Ser#179095806              | E201 | 1 | 3,000.00  | 1,200.00  |
| STM-EL Steam Sterilizer Autoclave                                | E253 | 1 | 12,000.00 | 3,500.00  |
| STM-EL Steam Sterilizer Autoclave                                | E259 | 1 | 6,500.00  | 2,500.00  |
| STM-EL Steam Sterilizer Autoclave (Not Working)                  | E068 | 1 | 3,500.00  | 1,000.00  |
| Hobart Dishwasher  | E246 | 1 | 4,500.00  | 2,000.00  |
| 3 Pot Stainless Steel Sink With Spray Wand                       | nil  | 2 | 1,500.00  | 1,000.00  |
| General Tech Service Waterbath 148007 Ser#70900763               | E186 | 1 | 1,000.00  | 300.00    |
| Precision Water Bath   | E178 | 1 | 850.00    | 200.00    |
| Precision Water Bath Coliform 253 Ser#601101231                  | E174 | 1 | 850.00    | 200.00    |
| Fisher Scientific Water Bath Coliform 253 Ser#604071566          | E181 | 1 | 850.00    | 200.00    |
| Thermo Water Bath 2862 Ser#200049-22                             | E185 | 1 | 300.00    | 200.00    |
| Precision Water Bath Coliform 253 Ser#698040441                  | E177 | 1 | 850.00    | 200.00    |
| Precision Water Bath Circulating 260 Ser#696101542               | E176 | 1 | 1,000.00  | 250.00    |
| Precision Water Bath Circulating 260 Ser#603091207               | E179 | 1 | 1,000.00  | 250.00    |
| Fisher Scientific isotemp 228 Ser#906N0118                       | E175 | 1 | 850.00    | 200.00    |
| FisherScientific Isotemp 228 Ser#011N0283                        | E173 | 1 | 850.00    | 200.00    |
| Fisher Scientific Isotemp Incubator 650D Ser#50600242            | E109 | 1 | 1,200.00  | 300.00    |
| Fisher Scientific Isotemp Incubator 650D Ser#507N0190            | E110 | 1 | 1,200.00  | 300.00    |
| Fisher Scientific Isotemp Incubator 650D Ser#60900262            | E111 | 1 | 1,200.00  | 300.00    |
| Fisher Scientific Isotemp Incubator 650D Ser#104N014S            | E115 | 1 | 1,200.00  | 300.00    |
| Fisher Scientific Isotemp incubator 650D Ser#205N0129            | E113 | 1 | 1,200.00  | 300.00    |
| Fisher Scientific isotemp Incubator 650D Ser#904N0114            | E108 | 1 | 1,200.00  | 300.00    |
| Fisher Scientific Isotemp Incubator 650D Ser#103N012S            | E112 | 1 | 1,200.00  | 300.00    |
| Fisher Scientific Isotemp 228 Water Bath Ser#1608080829458       | E189 | 1 | 850.00    | 200.00    |
| Deep Freeze Domestic   | E094 | 1 | 100.00    | 50.00     |
| Leica Colony Counter   | E225 | 1 | 600.00    | 200.00    |
| Boekel Oven Model 131400 Ser#1264                                | E117 | 1 | 650.00    | 225.00    |
| Boekel Oven Model 132000 Ser#01230-25                            | E114 | 1 | 400.00    | 175.00    |
| Micromaster Telescope Model CK                                   | E266 | 1 | 375.00    | 150.00    |
| New Brunswick Scientific Pourmatic MP-1000                       | nil  | 1 | 8,500.00  | 2,250.00  |
| Thermo Scientific Water Bath WB1140A-1 Ser#X06U-S22590-XU        | E172 | 1 | 1,000.00  | 400.00    |
| Thermo Scientific Water Bath WB1140A-1 Ser#NBV-523106-NV         | E188 | 1 | 1,000.00  | 400.00    |
| Vidas- Biomesieu Salmonella & Food Pathagem DetectingTest System | E248 | 1 | 79,250.00 | 20,000.00 |



|  |      |   |                   |                  |
|--|------|---|-------------------|------------------|
| Precision Waterbath Coliform 253 Ser#604061863           | E180 | 1 | 850.00            | 200.00           |
| Fisher Scientific Incubator 650D Ser#507N0189            | E116 | 1 | 1,200.00          | 300.00           |
| Fisher Scientific Incubator 650D Ser#401N0029            | E106 | 1 | 1,200.00          | 300.00           |
| Fisher Scientific Incubator 6845 Ser#275404-368          | E107 | 1 | 1,500.00          | 550.00           |
| Forma Scientific Class 11 A/BC Biological Safety Cabinet | E271 | 1 | 5,000.00          | 1,250.00         |
| Domestic Fridge  | E150 | 1 | 100.00            | 50.00            |
| Domestic Fridge  | E043 | 1 | 100.00            | 50.00            |
| Gen Tech Ser. Isotemp 210 Ser#70900763                   | E183 | 1 | 400.00            | 150.00           |
| Sartorius Praxium 612-15 Ser#0029508832                  | E202 | 1 | 650.00            | 250.00           |
| Stomacher Lab Blender 400 BA6021 Ser#14006               | E255 | 1 | 1,700.00          | 650.00           |
| Stomacher Lab Blender 400 BA6021 Ser#172911              | E165 | 1 | 1,700.00          | 650.00           |
| Domestic Microwave Oven                                  | E316 | 1 | 50.00             | 25.00            |
| Fisher Scientific Isotemp 228 Water Bath                 | E228 | 1 | 850.00            | 400.00           |
| <b>Total</b>   |      |   | <b>166,525.00</b> | <b>48,925.00</b> |

#### Other Equipment

|  |  |    |                  |                  |
|--|--|----|------------------|------------------|
| 2014 Toyota Tacoma 4x4 Truck 20,527kms Vin#5TFMU4FNXEX025549 |  | 1  | 28,500.00        | 23,500.00        |
| 44in Wood Veneer Octagon Table                               |  | 2  | 300.00           | 150.00           |
| White Leather Office Chair On Casters                        |  | 8  | 520.00           | 280.00           |
| 4ft Wood Veneer Folding Table                                |  | 1  | 50.00            | 20.00            |
| Dell Laptop  |  | 5  | 1,500.00         | 1,000.00         |
| 17in LCD Monitor   |  | 2  | 80.00            | 40.00            |
| Hp P2035N Printer laser Jet Printer                          |  | 2  | 250.00           | 100.00           |
| White Leather Managers Chair                                 |  | 3  | 240.00           | 120.00           |
| 4ft x 2ft White Wood Veneer 3 Drawer Desk                    |  | 2  | 200.00           | 100.00           |
| Lateral 4 Drawer File Cabinet                                |  | 2  | 200.00           | 100.00           |
| 5 Drawer Lateral File Cabinet                                |  | 9  | 1,350.00         | 675.00           |
| Metall Coat Tree   |  | 1  | 60.00            | 30.00            |
| Canon Image Class MF4770N Printer                            |  | 1  | 100.00           | 60.00            |
| 7ft x 7ft Reception/Work Station Wood Veneer                 |  | 1  | 500.00           | 200.00           |
| PC With Monitor  |  | 7  | 1,750.00         | 1,050.00         |
| Metal Padded Reception Chair                                 |  | 17 | 850.00           | 340.00           |
| 3 Drawer Wood Veneer Desk & Hutch 5.5ft x 4ft                |  | 1  | 200.00           | 75.00            |
| 4ft x 2ft Lift Electric Raising Table                        |  | 1  | 250.00           | 100.00           |
| Metal Coat Tree  |  | 1  | 30.00            | 15.00            |
| Pan Shelving In Lots   |  | 1  | 250.00           | 125.00           |
| 4 Drawer Legal File Cabinet                                  |  | 3  | 300.00           | 120.00           |
| Server   |  | 1  | 1,500.00         | 1,000.00         |
| APC Smart Ups 1500 Back Up                                   |  | 1  | 450.00           | 250.00           |
| APC Smart Ups 750 Back Up                                    |  | 1  | 100.00           | 50.00            |
| TP Link Jet Stream Managed POE Switch                        |  | 1  | 450.00           | 275.00           |
| Dell Power Connect 2724                                      |  | 1  | 50.00            | 25.00            |
| Belden 48 Port Switch  |  | 1  | 400.00           | 250.00           |
| Hp Color Laser Jet 3600N Printer                             |  | 1  | 250.00           | 100.00           |
| Mop & Bucket   |  | 1  | 50.00            | 25.00            |
| Shop Vacuum  |  | 1  | 80.00            | 50.00            |
| Cubicles With Componects (Desks, Hutch/Storage Area          |  | 10 | 500.00           | 250.00           |
| Aasta 6731i Phone  |  | 15 | 1,050.00         | 80.00            |
| Hp Laser Jet P2035N Printer                                  |  | 1  | 150.00           | 75.00            |
| Xerox Work Centre 7775 With Sorter Photo Copier              |  | 1  | 3,400.00         | 1,500.00         |
| Fold Up Chairs   |  | 8  | 160.00           | 80.00            |
| Wood Padded Reception Chair                                  |  | 4  | 100.00           | 60.00            |
| Enclosed White Board   |  | 1  | 150.00           | 75.00            |
| Board Room Table 9.5ft x 3.5ft                               |  | 1  | 600.00           | 350.00           |
| Fridge   |  | 1  | 100.00           | 50.00            |
| Microwave Oven   |  | 1  | 50.00            | 25.00            |
| Keurig Coffeee Dispenser                                     |  | 2  | 100.00           | 60.00            |
| Toaster Oven   |  | 2  | 100.00           | 50.00            |
| Toaster  |  | 1  | 10.00            | 5.00             |
| Step Up  |  | 1  | 25.00            | 15.00            |
| Panasonic KX-TPA60 Cordless Phone                            |  | 2  | 200.00           | 100.00           |
| 6ft x 3ft Wood Veneer Book Case                              |  | 13 | 975.00           | 455.00           |
| <b>Total</b>   |  |    | <b>48,480.00</b> | <b>33,455.00</b> |

**Total All Equipment**

**\$998,585.00**

**\$389,055.00**

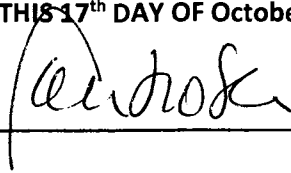
THIS IS EXHIBIT "D"

TO THE AFFIDAVIT OF

Jason Breeze

SWORN TO BEFORE ME

THIS 17<sup>th</sup> DAY OF October, 2017

A handwritten signature in black ink, appearing to read "Mark Rosen", written over a horizontal line.

Mark Rosen

A Notary Public in and for the  
Province of Nova Scotia

This **CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT** dated \_\_\_\_\_, 2017 (the “**Agreement**”)

**BETWEEN:**

\_\_\_\_\_, with a head office in \_\_\_\_\_, (hereinafter the “**Receiving Party**”)

And

**BDO Canada Limited, Receiver of the Assets of Petroforma Inc.**, Suite 201 - 255 Lacewood Drive, Halifax, Nova Scotia (hereinafter, “**Receiver**”)

(Each a “**Party**” and collectively, the “**Parties**”)

**RECITES:**

A. The Parties consider it desirable for the Receiver to disclose Confidential Information to the Receiving Party for the limited purpose of providing the Receiving Party with certain Business Information regarding the business operations and financial performance of Petroforma Inc. in order to assess the company’s viability; (the “**Permitted Purpose**”); and

B. The Parties wish to define herein the obligations of the Receiving Party with respect to the handling and disclosure of Confidential Information that may be disclosed to the Receiving Party by the Receiver in connection with the Permitted Purpose.

**TERMS**

In consideration of the mutual covenants and conditions set forth herein, the Receiving Party, intending to be legally bound, agrees as follows:

1. Definitions

(a) “**Business Information**” includes, but is not limited to, information relating to intellectual property, business plans, financial information, products, services, manufacturing processes and know-how, technical information, sources of supply, strategic plans, advertising and marketing plans, customer lists, sales, profits, pricing methods, personnel and business relationships.

(b) “**Confidential Information**” includes, but is not limited to, Intellectual Property Information, Business Information and Trade Secrets, whether or not reduced to writing or

other tangible expression, which the Receiver may disclose to the Receiving Party; provided however that Confidential Information shall not include any information which

(i) was already known to the Receiving Party prior to the time of disclosure by the Receiver as evidenced by written records,

(ii) is available or becomes generally available to the public other than through a breach of this Agreement by the Receiving Party,

(iii) is acquired or received rightfully and without confidential limitation by the Receiving Party from a third party, or

(iv) is independently developed by the Receiving Party without breach of this Agreement.

(c) **“Effective Date”** means the date written at the top of the first page of this Agreement;

(d) **“Intellectual Property Information”** includes, but is not limited to, information relating to research and development, discoveries, improvements, processes, know-how, drawings, blueprints, specifications, samples, formulae, notes, patents, copyrights, trademarks, trade names, and patent, trademark and copyright applications; and

(e) **“Trade Secrets”** means information that

(i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and

(ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

2. The Receiving Party agrees that it shall only use Confidential Information for the Permitted Purpose and for no other purpose whatsoever.

3. The Receiving Party agrees to take all necessary and appropriate steps to keep confidential and protect Confidential Information including:

(i) restricting access to all Confidential Information received from the Receiver;

(ii) not using, disclosing, or allowing access to such Confidential Information by any third party, except as authorized by the Receiver in writing. The Receiving Party further agrees to keep confidential the existence of this Agreement and that it is receiving information from the Receiver, except as may be required by law.

4. The Receiving Party agrees it shall be liable for any breach of this Agreement by its employees, employees of its affiliates or subsidiaries and by any consultant, agent, or other third party to whom it has communicated Confidential Information.

5. If the Receiving Party becomes legally required to disclose Confidential Information, or any part thereof, the Receiving Party will provide the Receiver prompt notice of such requirement to the extent that the Receiving Party is legally able to do so. If the Receiver waives compliance with any of the terms of this Agreement or is unable to obtain a protective order or other appropriate remedy with respect to such disclosure of Confidential Information, then the Receiving Party will disclose only that portion of the Confidential Information necessary to ensure compliance with such legal requirement. Any Confidential Information that is disclosed pursuant to a legal obligation shall maintain its confidential character if the disclosure does not result in the information becoming generally known or available to third parties without restrictions on further disclosure. The Receiving Party has the burden of proving the foregoing exceptions and must notify the Receiver within forty eight hours from the time of disclosure upon such exceptions.

6. The Receiving Party agrees that Confidential Information is and will remain the property of the Receiver and all such Confidential Information in tangible form and copies thereof will be returned promptly to the Receiver upon request, except that the Receiving Party may retain one copy of the Receiver's confidential information for regulatory and risk management purposes provided that such copy is securely maintained in a secure location at the Receiving Party's principal place of business or by the Receiving Party's legal counsel. No use of such Confidential Information is permitted except as provided in this Agreement, and the Receiving Party agrees not to rely upon, in any manner, Confidential Information except as authorized by this Agreement. No grant of any of The Receiver's intellectual property rights, including any license implied or otherwise, is given or intended to be given.

7. This Agreement will be effective as of the Effective Date, but will apply to any Confidential Information disclosed to the Receiving Party by the Receiver prior to. This Agreement shall remain in effect for a period of eighteen (18) months from the Effective Date unless otherwise terminated by either Party giving notice to the other of its desire to terminate this Agreement. The requirement to protect Confidential Information disclosed under this Agreement shall survive termination of this Agreement.

8. The Receiving Party acknowledges and will not contest that unauthorized disclosure or other violation, or threatened violation of this Agreement by the Receiving Party will cause irreparable damage to the Receiver. The Receiving Party agrees that the Receiver will be entitled to seek an injunction prohibiting the Receiving Party from any such disclosure, attempted disclosure, violation or threatened violation without the necessity of proving damages or furnishing a bond or other security. The Receiving Party hereby indemnifies and holds the Receiver harmless from and against all damages, losses and costs (including reasonable attorneys' fees) resulting from any such actual, attempted or threatened disclosure or violation.

9. Neither this Agreement nor anything disclosed or provided pursuant to this Agreement creates or should be construed to create, in any manner, any obligation to enter into any contract or business arrangement nor does it obligate either Party to purchase any service or item from the other or offer for sale any products using or incorporating Confidential Information.

10. The Receiving Party agrees and acknowledges that neither the Receiver nor its employees, agents or advisors make any representation or warranty (express or implied) as to the accuracy and completeness of Confidential Information except as may be expressly represented or warranted in any subsequent agreement concluded between the Parties.

11. The Confidential Information is supplied by the Receiver to the Receiving Party without audit or verification of any kind, and the Receiver makes no expressed or implied representation or warranty with respect to its accuracy or completeness. Nothing contained in the Confidential Information is, or should be relied upon as, a representation as to the future prospects, use of the assets, quantity, condition, quality, fitness for purpose of intended use, or any other matter or thing. The Receiver expressly advises, and the Receiving Party acknowledges, that the prospective Receiving Party is not relying upon, and could not reasonably rely upon, the Confidential Information in arriving at its valuation of Petroforma Inc., or in a decision to submit an offer to purchase the assets of Petroforma Inc. for the Receiver's consideration. The Receiving Party must rely upon its own inspection and investigation in order to satisfy itself as to the title, liens, encumbrances, description, fitness for purpose, quantity, condition, quality, value or any other matter or thing whatsoever.

12. This Agreement may not be amended or modified, nor may any right or remedy of any Party be waived, except in writing, signed by such Party. The waiver by any Party of the breach of any term or provision hereof by any other Party will not be construed as a waiver of any other subsequent breach.

13. The rights and obligations of the Parties pursuant to this Agreement shall be in addition to and shall not derogate from either Party's obligations under any other agreement between them. In the event of any conflict between any provision(s) of this Agreement and those of any other agreement between them, the more restrictive provision(s) shall apply.

14. This Agreement is governed by and will be construed in accordance with the laws of the province of Newfoundland & Labrador and the laws of Canada applicable therein. The Receiving Party attorns to the exclusive venue and jurisdiction of the Courts of Newfoundland & Labrador, and waives any arguments under the conflict of laws removing such exclusive venue, jurisdiction or governing law.

15. The Receiving Party affirms that the individual(s) executing this Agreement has the authority to bind the Receiving Party to the terms hereof.

16. The Parties acknowledge and agree that each and every term of this Agreement is of the essence. If any one or more of the provisions contained in this Agreement should be declared

invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby so long as the commercial, economic and legal substance of the transaction contemplated hereby are not affected in any manner materially adverse to any Party. Upon such a declaration, the Parties shall modify this Agreement so as to carry out the original intent of the Parties as closely as possible in an acceptable manner so that the purposes contemplated hereby are consummated as originally contemplated to the fullest extent possible.

17. The Receiving Party acknowledges that the Confidential Information provided under the terms of this Agreement may be provided to other interested parties under the same terms and conditions contained herein, or as otherwise mutually agreed to between the Receiver and those parties.

18. An electronic copy or facsimile of a party's signature shall be binding upon the signatory with the same force and effect as an original signature.

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

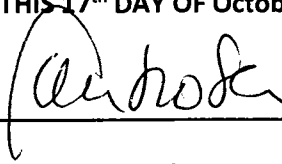


**THIS IS EXHIBIT "E"  
TO THE AFFIDAVIT OF**

**Jason Breeze**

**SWORN TO BEFORE ME**

**THIS 17<sup>th</sup> DAY OF October, 2017**

A handwritten signature in black ink, appearing to read "Mark Rosen", written over a horizontal line.

**Mark Rosen  
A Notary Public in and for the  
Province of Nova Scotia**

PETROFORMA INC.  
SALE OFFER  
TERMS & CONDITIONS

August 14, 2017



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## ***I. NOTICE TO READER***

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BDO Canada Limited has been appointed as a Receiver of Petroforma Inc. ("Petroforma" or the "Company") (the "Receiver" or "BDO") by Toronto-Dominion Bank (the "Secured Party") pursuant to various security agreements between the Secured Party and the Company (the "Security"). The Receiver has been authorized to solicit proposals for the purchase of any or all of the assets of Petroforma described herein. The sale of these assets is being made pursuant to all powers of sale granted to the Secured Party either contractually by the Security or by statute, including the *Conveyancing Act*, RSNL 1990 c. C-34, as amended, and the *Personal Property Security Act*, SNL 1998 c. P-7.1, as amended, and the *Bankruptcy and Insolvency Act*, R.S.C. 1985.

BDO expressly advises, and the potential purchaser acknowledges, that the potential purchaser does not rely on this information in arriving at a decision to purchase part or all of the assets listed herein.

BDO has not audited nor independently verified any of the information contained herein and makes no express or implied representation or warranty with respect to the accuracy or completeness of such information. Nothing contained in this document is, or should be relied upon as, a representation as to the future potential of the assets. Each prospective purchaser must rely upon its own inspection and investigation in order to satisfy itself as to title, merchantability, encumbrances, description, fitness for purpose, quantity, condition, existence, quality, value or any other matter or thing whatsoever relating to the assets to be purchased.

Neither this document, nor its delivery to any prospective purchaser, shall constitute an offer to sell.

## **II. SALE PROCESS**

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BDO will consider proposals to purchase, on an “as-is, where-is” basis, the Secured Party’s and Receiver’s right, title and interest, if any, in any or all of the assets of the Companies set out herein.

The assets are available for inspection by contacting the BDO representative identified below to arrange for an appointment:

**Jason Breeze**  
Suite 201 – 255 Lacewood Drive  
Halifax, NS, B3M 4G2  
Canada  
Telephone: 902-425-3100  
Facsimile: 902-425-3777

Binding offers, together with a non-refundable deposit of 5% of the total purchase price must be submitted on the Offer Form provided herein (Exhibit A), in accordance with the Terms and Conditions of Sale detailed in this Information Package, and must be received by BDO on or before **2:00 pm (Newfoundland Time), August 21<sup>st</sup>, 2017**. BDO may, but will not be obligated in any way to consider the offers.

Prospective purchasers are cautioned that BDO reserves the right to negotiate with any prospective purchaser at any time and to sell any or all assets at any time prior to the closing date for offers. In addition, the highest proposal may not necessarily be accepted, nor will any of the proposals submitted necessarily be accepted. Any proposal which is accepted may be subject, at the sole and absolute discretion of BDO, to a formal agreement of purchase and sale to be entered into by BDO and any prospective purchaser on terms and in a form acceptable to BDO.

### **III. DESCRIPTION OF ASSETS FOR SALE**

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#### **PARCEL A**

The Receiver's interest in a commercial lease dated the 29<sup>th</sup> day of July, 2016, between Petroforma Inc., as tenant, and 70346 Newfoundland & Labrador Limited. This lease is described is further described in the attached Appendix "A".

#### **PARCEL B**

The Receiver's interest in office and laboratory equipment described in the attached Appendix "B".

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#### **IV. TERMS AND CONDITIONS OF SALE**

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1. The Receiver will consider binding offers (an "Offer") (together with a non-refundable deposit of 5% of the total purchase price (the "Purchase Price")) from interested purchasers (a "Purchaser") to purchase the Secured Party's and Receiver's right, title, and interest, if any, in all or some of the assets of the Company (the "Assets"), as bundled in the parcels described in Part III of this information package (the "Parcels", and each a "Parcel"). Offers must be in a sealed envelope marked "**OFFER RE: PETROFORMA INC.**". A Purchaser may make an Offer with respect to one or more Parcels, but in the event that a Purchaser makes an Offer with respect to more than one Parcel, a purchase price must be assigned by the Purchaser to each Parcel offered upon. An Offer may contain any additional conditions a Purchaser wishes to have applied to their Offer.

All Offers must be received by the Receiver at the following address by **2:00 pm (Newfoundland time), August 21<sup>st</sup>, 2017:**

**BDO Canada Limited**  
**Attn: Jason Breeze**  
Suite 201 – 255 Lacewood Drive  
Halifax, NS, B3M 4G2  
Canada  
Telephone: 902-425-3100  
Facsimile: 902-425-3777

2. Offers will only be accepted on the basis that the party submitting the Offer has inspected the Assets described in each Parcel and that no representation, warranty, term, condition, understanding or collateral agreement, statutory or otherwise, is expressed or can be implied, with respect to title, merchantability, condition, description, fitness for purpose, country of origin, quality, quantity or any other thing, affecting any of the Assets or in respect of any other matter or thing whatsoever except as expressly stated herein. Without limiting the foregoing, each party submitting an Offer acknowledges and agrees that each Parcel is specifically offered on an "as is where is" basis as each Parcel will exist on the Closing Date (as hereinafter defined) and no

adjustment shall be allowed to either the Receiver or a Purchaser for changes in condition or quantities of the Assets from the date hereof and that the sale, transfer and assignment of the Receiver's right, title and interest, if any, in and to the Assets is subject to the terms of any license, patent or any other agreement comprising or relating to such Assets, including, without limitation, (1) any consents of any licensor or any other party, (ii) any restrictions on disclosure or assignability, and (iii) any provisions relating to confidentiality and rights of first refusal for the benefit of any other party to such license, patent or any other agreement. The Purchaser acknowledges that it will be responsible for making its own arrangements with any licensors of Assets or other parties required to operate or related to any of the Assets. Each party submitting an Offer acknowledges that the Receiver is not required to inspect or count, or provide any inspection or counting, of the Assets or any part thereof and such party shall be deemed, at its own expense, to have relied entirely on its own judgement, inspection and investigation. It shall be the sole responsibility of a Purchaser to obtain, at its own expense, any consents to the transfer of the purchased Assets and any further documents or assurances which are necessary or desirable in the circumstances. Purchasers are cautioned that the Receiver has not attempted to verify the country of origin of any of the inventory, raw materials or other Assets and should make their own determinations of any capability to export such inventory, materials or other Assets. The Receiver shall not be liable for any incorrect description, defect or condition of any of the Assets, and each person submitting a proposal shall make no claim against the Receiver or any of its directors, officers or employees in connection with the proposal for the purchase of any of the Parcels.

3. Documentation relating to the various Parcels may be obtained from the Receiver at the aforementioned address. Such documentation has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of these Terms and Conditions of Sale.
4. The Parcels will be available for inspection at such time as may be arranged with the Receiver by contacting:



**Jason Breeze**  
Suite 201 – 255 Lacewood Drive  
Halifax, NS, B3M 4G2  
Canada  
Telephone: 902-425-3100  
Facsimile: 902-425-3777

5. All Offers must be in the form of the enclosed "Binding Offer Form" (see Exhibit A), signed by a duly authorized officer of the entity making the proposal.
6. All Offers must be accompanied by a bank draft or certified cheque payable to "BDO Canada Ltd., in its capacity as Receiver of Petroforma Inc.- in Trust" (the "Deposit") in an amount equal to not less than 5% of the Purchase Price. If the Offer is accepted by the Receiver and the transaction as contemplated is not completed as a result of default by the Purchaser, then the Deposit shall be forfeited to the Receiver as liquidated damages and not as a penalty. The Deposit is to be credited on account of the Purchase Price on closing.
7. The highest or any Offer for all or any of the Assets will not necessarily be accepted. The acceptance of any Offer is at the Receiver's sole and absolute discretion. No person shall retract, withdraw or countermand an Offer before notification of acceptance or rejection of the Offer by the Receiver.
8. The Receiver reserves the right to amend or terminate the sale process of the Assets at any time.
9. If any Offer is accepted by the Receiver, the Receiver will notify the Purchaser of such acceptance on or before August 25<sup>th</sup>, 2017 by notice in writing either delivered by email or by prepaid registered mail addressed to the Purchaser at the address set forth in its Offer, such notice to be deemed effectively given and received when deposited in the post office or when delivered as the case may be.
12. Acceptance of any Offer may be subject, in the sole and absolute discretion of the Receiver, to the Receiver and the Purchaser entering into an Agreement of Purchase and Sale on terms and in a form acceptable to the Receiver.

13. Unless, at the time of acceptance, the Receiver notifies the prospective Purchaser that acceptance of the Offer is subject to the Receiver and Purchaser entering into an Agreement of Purchase and Sale on terms and in a form acceptable to the Receiver, an Offer and the acceptance thereof in accordance with paragraph 9 above, together with these Terms and Conditions of Sale, which shall be deemed to form part of each Offer, shall constitute a valid and binding Agreement of Purchase and Sale between the party submitting the Offer and the Receiver with respect to the Parcels identified in the accepted Offer, and such agreement shall not be amended without the written consent of the Receiver.
14. All Deposits in respect of Offers not accepted by the Receiver shall be returned to the party by prepaid registered mail, addressed to the party at the address set forth in its Offer on or before August 31<sup>st</sup>, 2017, without interest thereon.
15. The balance of the Purchase Price, together with any taxes referred to below, shall be paid by cash or certified cheque payable to the Receiver 10 days following Court Approval of the sale (the "Closing Date"). **The Purchaser acknowledges that the Receiver must obtain Court approval on any sale of the subject assets.** The closing shall take place at the office of the Receiver as follows:

**BDO Canada Limited**  
**Attn: Jason Breeze**  
Suite 201 – 255 Lacewood Drive  
Halifax, NS, B3M 4G2  
Canada  
Telephone: 902-425-3100  
Facsimile: 902-425-3777

Upon the closing of the Agreement of Purchase and Sale, the Purchaser shall be entitled to such deed of conveyance and/or bill of sale necessary to convey to the Purchaser the Assets and such other documents as the solicitor for the Purchaser requires, acting in a commercially reasonable manner, that are customary to be delivered by a vendor when exercising a power of sale of real and personal property in Newfoundland and Labrador.



16. Each Purchaser will pay to the Receiver on the Closing Date, in addition to the balance of the Purchase Price, any and all applicable federal, provincial and other sales, goods and services, and other taxes whatsoever which are payable in connection with the purchase and conveyance of the Assets herein, together with all duties, registration fees or other charges properly payable or exigible upon or in connection with the conveyance or transfer of the Parcels. An Offer shall be exclusive of harmonized sales tax (HST). The Purchaser will pay HST to the Receiver on closing unless the Purchaser provides the Receiver with appropriate exemption certificates in form and substance satisfactory to the Receiver in respect of HST; or, with respect to any real property subject to an Offer, (i) the Purchaser is a HST registrant before or on closing; (ii) the Receiver is given the HST registration number of the Purchaser on closing; (iii) the Purchaser agrees to pay any HST directly to the Canada Revenue Agency in the event that any HST liability arises in respect of the transaction; (iv) the Purchaser represents and warrants as of closing that it is buying the Assets for its own account; and (v) the Purchaser provides a customary declaration and indemnity to the Receiver and Secured Party on closing. The Purchaser will indemnify and hold the Receiver, the Secured Party and the Company harmless in respect of any taxes, penalties, interest and other amounts which may be assessed against the Receiver, the Secured Party or the Company under the *Excise Tax Act*, RSC 1985 c. E-15, as amended, the *Revenue Administration Act*, SNL 2009 c. R-15.01, as amended, or any comparable law as a result of the sale of the Parcels or as a result of the failure by the Purchaser to pay all the aforementioned taxes exigible in connection with the transactions contemplated by this Agreement, whether arising from re-assessment or otherwise.
17. The Purchaser shall examine title to the Assets at its own expense and the Receiver shall not be required to furnish or produce any abstract, survey, deed, declaration or other document or evidence of title except as such are in its possession. The obligation of the Purchaser to complete the purchase of the Assets is subject to the title of the Assets being good and marketable and free, after power of sale, from all encumbrances except as to any registered restrictions or covenants that run with the Assets that do not in any material manner impact marketable title. The Purchaser is allowed 14 days from acceptance of the Purchaser's Offer (or until the Closing Date, whichever is earlier) to

investigate the title to the Assets. If within that time any valid objection to title is made in writing, to the Receiver, or its solicitors, which the Receiver shall be unable or unwilling to remove, and which the Purchaser shall not waive, the Agreement of Purchase and Sale shall be null and void and the Deposit shall be returned to the Purchaser, without interest, and without liability by the Receiver for any expenses incurred or damages sustained by the Purchaser.

18. Prior to any closing all Assets shall be and remain in the possession of and at the risk of the Receiver. After closing, the purchased Assets shall be at the risk of the Purchaser. In the event of material damage to any Assets occurring on or before closing, the Receiver may, at its option, terminate the Agreement of Purchase and Sale and the Deposit shall be returned to the Purchaser, without interest, and without liability by the Receiver for any expenses incurred or damages sustained by the Purchaser. Where any damage is not material, the Purchaser shall be obligated to complete the Agreement of Purchase and Sale without liability by the Receiver for any expenses incurred or damages sustained by the Purchaser nor any other costs or compensation whatsoever relating to such damage.
19. With respect to any Offer that includes real property, the Receiver shall have no obligation to clean or remove any chemicals, toxins or hazardous substances from the real property and no liability to any Purchaser arising from the presence of same on the real property.
20. If a sale is not completed because of the Purchaser's default, the Purchaser's Deposit and all other payments made in connection with the Purchase Price shall be retained by the Receiver and such Parcel(s) may be resold by the Receiver and the Purchaser shall pay to the Receiver (i) an amount equal to the amount, if any, by which the Purchase Price exceeds the net purchase price received by the Receiver pursuant to such resale, and (ii) an amount equal to all costs and expenses incurred by the Receiver in respect of or occasioned by the Purchaser's failure to complete the purchase.
21. It shall be a condition precedent to the Purchaser and the Receiver's obligations to complete any sale:



- (a) none of the Parcels which are the subject of the Agreement of Purchase and Sale is removed from the possession of the Receiver by any means or process or is redeemed by any party; or
- (b) there is no order of a court of competent jurisdiction enjoining the Receiver or the Secured Party from proceeding with the sale.

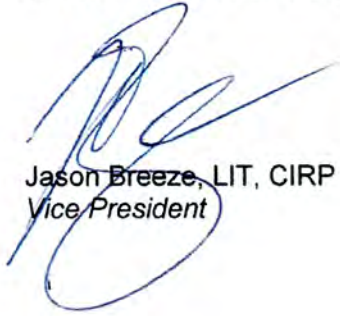
In each of the above cases, the sole obligation of the Receiver is to return the Deposit to the Purchaser without interest or deduction.

- 22. The submission of an Offer to the Receiver shall constitute an acknowledgment that the prospective purchaser has reviewed, understood, acknowledged and agreed to the terms of the accompanying "Notice to Reader", as well as these Terms and Conditions of Sale.
- 23. Each prospective Purchaser acknowledges that BDO Canada Limited is acting solely in its capacity as Receiver of Petroforma Inc. and as such, its liabilities hereunder or under any other arrangement or agreement contemplated hereby, or as a result of any sale contemplated hereby, will be in its capacity as Receiver and it shall have no personal or corporate liability of any kind, whether in contract or in tort.
- 24. The validity and interpretation of any Agreement of Purchase and Sale shall be governed by the laws of Newfoundland and Labrador, and such agreement shall enure to the benefit of and be binding upon the parties thereto, and their respective heirs, executors, administrators, successors or assigns as the case may be.
- 25. The terms and conditions contained herein shall not merge on the closing of the transaction contemplated by any Agreement of Purchase and Sale but shall survive such closing and remain in full force and effect and be binding on each Purchaser thereafter.
- 26. Time is of the essence in any Agreement of Purchase and Sale.

Dated at Halifax, Nova Scotia, this 14<sup>th</sup> day of August, 2017.

**BDO CANADA LIMITED**

in its capacity as Receiver of  
PETROFORMA INC.  
and not in its personal capacity



Jason Breeze, LIT, CIRP  
Vice President





**EXHIBIT A:  
BINDING OFFER FORM**

To: BDO Canada Limited. solely in its capacity as Receiver of  
Petroforma Inc.  
Suite 201 – 255 Lacewood Drive  
Halifax, Nova Scotia, B3M 4G2  
Attention: Jason Breeze

1. \_\_\_\_\_  
(Name of Party issuing Offer)

2. \_\_\_\_\_  
(Address of Party)

3. \_\_\_\_\_ (Person to be contacted) \_\_\_\_\_ (Fax number)

4. \_\_\_\_\_  
(Email address)

5. The total amount hereby offered is \$ \_\_\_\_\_

6. The amount offered for each Parcel is as follows:

| Parcel | Description                          | Amount Offered |
|--------|--------------------------------------|----------------|
| A      | Commercial Land Leases and Buildings | \$ _____       |
| B      | Office And Laboratory Equipment      | \$ _____       |

7. The offer must be considered as an *en bloc* offer for Parcels \_\_\_\_\_

Yes \_\_\_\_\_  
No \_\_\_\_\_

8. The offer is subject to the following additional conditions (i.e., financing, etc.) [Attach additional schedule if required]:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. This binding offer is submitted pursuant to the Terms and Conditions of Sale prepared by BDO Canada Limited in its capacity as Receiver of Petroforma Inc. dated August 14, 2017.

10. Attached hereto is a cheque in the amount of \$\_\_\_\_\_ representing the Deposit per the Terms and Conditions of Sale contained in the Information Package dated •, 2017.

11. \_\_\_\_\_  
Date

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

\_\_\_\_\_  
Title







### COMMERCIAL LEASE AGREEMENT

THIS AGREEMENT made effective as at the 29<sup>th</sup> day of July, 2016 (the "Effective Date").

**BETWEEN:**

**PETROFORMA INC.**, a corporation incorporated under the laws of the Province of Newfoundland and Labrador, Canada,

(hereinafter referred to as the "**Tenant**")

OF THE FIRST PART,

**AND:**

**70346 NEWFOUNDLAND & LABRADOR LIMITED**, a corporation incorporated under the laws of the Province of Newfoundland and Labrador, Canada,

(hereinafter referred to as the "**Landlord**")

OF THE SECOND PART

IN CONSIDERATION of the rents and covenants contained in this Lease, the Landlord and the Tenant covenant and agree as follows:

#### ARTICLE 1 DEFINITIONS

1.1 Where used in this Lease, including any Schedules attached hereto, the following words shall have the following meanings:

- (a) "**Additional Rent**" means the Tenant's Proportionate Share of the Operating Costs, Real Estate Taxes and, without limitation, all other amounts, liabilities, obligations, moneys, other charges, costs and expenses provided to be paid in this Lease by the Tenant excepting only Fixed Annual Rent and HST.
- (b) "**Applicable Laws**" means all laws (including Environmental Laws), statutes, regulations, by-laws, rules, declarations, ordinances, directives, orders, requirements and directions of every Governmental Authority having jurisdiction.
- (c) "**Building**" means the building constructed on the Land, together with all wiring, plumbing and heating apparatus and equipment, elevators and fixtures (other than fixtures owned by the Tenant) and all improvements, appurtenances and other improvements, and any and all modification, alterations and replacements thereof, substitutions therefor and additions thereto.
- (d) "**Business Day**" means any day other than Saturday, Sunday or a statutory holiday under Applicable Laws.
- (e) "**Commencement Date**" has the meaning set forth in Section 2.1.

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- (f) **"Destruction"** means any damage or destruction by fire, elements, or other risk or peril in respect of which insurance is to be carried pursuant to the terms of this Lease.
- (g) **"Environmental Laws"** shall include any federal, provincial, municipal or local laws, statutes, regulations, ordinances, guidelines, policies and any orders of a court of competent jurisdiction or of a Governmental Authority, and which relate, in any way, to the natural or human environment (including land, surface water, groundwater, and real, personal, moveable and immoveable property), public or occupational health and safety, and the manufacture, importation, handling, use, reuse, recycling, transportation, storage, disposal, elimination and treatment of a substance, hazardous or otherwise, and any regulations, policies and guidelines promulgated thereunder and any amending and successor legislation and regulations.
- (h) **"Event of Default"** has the meaning set forth in Section 14.1.
- (i) **"Extension Period"** has the meaning set forth in Section 3.1.
- (j) **"Fixed Annual Rent"** means the annual rent set forth in Section 4.1.
- (k) **"Governmental Authority"** means every federal, provincial, regional, municipal or local governmental authority, court of competent jurisdiction, board, tribunal, or any regulatory, administrative or other agency or body, department, or branch of any of the foregoing.
- (l) **"Hazardous Substances"** means, collectively, or individually, any product, substance, chemical, material or waste whose presence, nature, quantity and/or intensity of existence, use, manufacture, disposal, transportation, spill, release or effect, either by itself or in combination with other materials expected to be at the Premises or any part thereof, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises; (ii) regulated or monitored by any Governmental Authority; or (iii) a basis for potential liability of Landlord to any Governmental Authority or third party under any Applicable Laws, and shall include, without limitation, hydrocarbons, petroleum, gasoline, crude oil or any products or by products thereof, and any other hazardous or toxic substances, materials, wastes, pollutants and the like which are defined as such in (or regulated by) any Applicable Laws.
- (m) **"HST"** has the meaning set forth in Section 4.2.
- (n) **"Land"** means the land described in Schedule "A" annexed hereto, and known as 85 Bremigens Boulevard, Paradise, Newfoundland and Labrador.
- (o) **"Lease Interest"** means interest chargeable upon late or overdue payment of Rent, at the Lease Interest Rate.
- (p) **"Lease Interest Rate"** means interest at the Prime Rate per annum plus two percent (2%) per annum.

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- (q) **"Lease Year"** means a period of 12 consecutive calendar months, during the Term, the first Lease Year being the period of 12 consecutive calendar months commencing from the Commencement Date if the Commencement Date is the first day of a month or on the first day of the month immediately following the month in which the Commencement Date occurs if the Commencement Date is not the first day of a month, and ending on the day preceding the first anniversary of such date of commencement, and each succeeding Lease Year during the Term, being a period of 12 consecutive calendar months commencing on the day following the expiration of the Lease Year preceding it.
- (r) **"Market Rent"** shall have the meaning set forth in Section 3.1.
- (s) **"Operating Costs"** shall have the meaning set forth in Section 5.1.
- (t) **"Permitted Transferee"** shall have the meaning set forth in Section 10.7.
- (u) **"Permitted Use"** shall have the meaning set forth in Section 7.1.
- (v) **"Premises"** means that portion of the Building described in Schedule "B" annexed hereto, and having 10,000 square feet in area.
- (w) **"Prime Rate"** means the rate of interest per annum established by the Landlord's chartered bank as a reference rate of interest to determine the interest rate such bank will charge for Canadian dollar commercial loans to its customers in Canada and which such bank quotes or publishes as its prime rate.
- (x) **"Proportionate Share"** means the fraction which has as its numerator the Rentable Area of the Premises and has as its denominator the total Rentable Area of the Building, whether rented or not;
- (y) **"Real Estate Taxes"** shall mean general municipal real estate taxes and water/sewer assessments levied, rated or assessed against the Land and Building, as distinguished from special assessments or taxes in the nature of improvement or betterment taxes, and specifically excluding: (a) income, excess profits, gross receipts, gift, payroll, estate, business, inheritance, succession, transfer, franchise, capital or other tax or assessment upon Landlord or the rentals payable under this Lease; (b) local improvement charges relating to the initial construction of the Premises or capital improvements subsequently constructed therein or with respect thereto; (c) any capital tax or large corporation tax imposed upon the Landlord as owner of the Premises; and (d) any interest and/or penalties resulting from late payment of taxes by the Landlord, unless such interest and/or penalties were incurred with the Tenant's prior written consent in furtherance of the Landlord's bona fide attempt to reduce taxes.
- (z) **"Rent"** means, collectively, Fixed Annual Rent, Lease Interest (as applicable) and Additional Rent.
- (aa) **"Rentable Area of the Building"** is deemed, for the purposes of this Lease, to be

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approximately 15,000 square feet in area.

- (bb) "**Rentable Area of the Premises**" is deemed, for the purposes of this Lease, to be approximately 10,000 square feet in area, and shall extend to the exterior face of all exterior walls, doors and windows, and to the exterior face of all interior walls, doors and windows separating the Premises from the common area, if any, and to the centre line of all interior walls separating the Premises from all adjoining premises with no deductions for columns or projections.
- (cc) "**Tenant's Work**" shall mean all of the Tenant's Improvements, fixturing and all other work required to meet the needs of the Tenant in respect of its occupancy and use of the Premises.
- (dd) "**Term**" means the period specified in Section 2.1, and each Extension Period if exercised.
- (ee) "**Utility Charges**" means all charges for electric current, telephone, cable and other utilities used in connection with the Premises.

## ARTICLE II

### PREMISES AND TERM

- 2.1 **Term.** Except as hereinafter provided, the Landlord leases the Premises to the Tenant for the term of 10 years (the "**Term**") commencing on the 1<sup>st</sup> day of August, 2016 (the "**Commencement Date**") and expiring on the 31<sup>st</sup> day of August, 2026, unless previously terminated or extended as otherwise provided for in this Lease, and **SUBJECT** to zoning by-laws and regulations, covenants, restrictions, easements, liens, charges, encumbrances, outstanding interests, title conditions and exception affecting the Premises or any part thereof, provided such are registered in a public registry in Newfoundland and Labrador. The Landlord represents and warrants to the Tenant that it has good and marketable title to the Land.
- 2.2 **Option to Terminate** *Intentionally Deleted*

## ARTICLE III

### EXTENSION PERIODS

- 3.1 **Extension Periods.** If the Tenant duly and regularly pays the Rent and is not in material default of the terms of the Lease, the Tenant shall have the right and option to extend the Term from the date upon which it would otherwise expire for two (2) consecutive additional periods of FIVE years (such period being hereinafter called an "**Extension Period**") upon the same terms and conditions as are herein set forth, save only for the Net Rent which shall be the then-current prevailing market rent for premises similar to the Building, having regard to all relevant circumstances including the size, age and location of the Premises (the latter being hereinafter referred to as the "**Market Rent**"). If the Tenant elects to exercise any option to extend, the Tenant shall provide the Landlord with not less than six (6) months' prior written notice.

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For greater certainty, the term "*cost*" in this Article 5 means and includes only such sums as are actually and directly expended by the Landlord to provide services, repairs and maintenance to the Land and Building.

For greater certainty, the term "*repair*" as it appears in this Article 5 will mean the remedying of injuries, losses or damages brought about by ordinary wear and tear, excepting injury, loss or damage as a result of negligence of Landlord, persons for whom the Landlord is in law responsible, or repair of a nature necessitated mainly as a result of any particular tenant's operation.

All costs shall be competitive, and the work performed shall be of a degree of competence equal to that found in any standard commercial development having consideration for the size and age of the development. Should either of these criteria not be met, then the Tenant may give notice of such deficiency to the Landlord and may thereafter evoke such remedies as are provided for in this Lease.

5.2 **Exclusions.** Notwithstanding the foregoing, the following items are excluded from the term "Operating Costs", or in the case of revenues or recoveries listed hereunder, such will be used to offset or defray the costs listed above:

- (a) Utility Charges;
- (b) all monies recovered under policies of insurance, or recovered for damage or loss or indemnity from third parties responsible for damage or loss to the Building, to the extent applicable to repairs to the Building the cost of which has been included in Operating Costs;
- (c) all monies that, if the Landlord fails to comply with its obligations to insure under this Lease, would have been recoverable under policies of insurance had it complied with its obligations to insure, and all monies which, if the Landlord fails to recover for damage or indemnify from third parties responsible, would have been recoverable had the Landlord exerted its best efforts to recover;
- (d) all amounts directly chargeable by the Landlord to any other tenant in connection with repairs completed by the Landlord;
- (e) all costs for executive personnel, and all costs for non-executive personnel not directly involved in the day-to-day management of the Land and Building;
- (f) all mark-ups or profit on Operating Costs over and above five percent (5%) of Fixed Annual Rent;
- (g) all recoveries made by the Landlord in respect of warranties and construction guarantees relating to the Building to the extent applicable to repairs thereto;
- (h) all rebates, credits and discounts whatsoever in respect of insurance premiums or in respect of any other costs included in Operating Costs;
- (i) interest charges of any type and penalties on late or overdue payments, other

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c) The sum of One Hundred and Twenty Seven Thousand Five Hundred Dollars (\$ 127,500.00) plus HST calculated at a rate of Twelve Dollars and Seventy Five Cents (\$12.75) per square foot per annum which the Tenant agrees to pay to the Landlord in equal monthly installments of Ten Thousand Six Hundred and Twenty Five Dollars (\$ 10,625.00) plus HST each payable in advance on the first day of each and every month during the final three years of the Term.

Notwithstanding the forgoing, the Tenant shall be entitled to i) occupy the Leased Premises Net Rent free as a result of the Landlord granting a one- time 3 month Net Rent free period from the Commencement Date, being August 1, 2016 to October 31, 2016.

- 4.2 **Payment of HST.** The Tenant shall pay to the Landlord an amount equal to any and all goods and services taxes, sales taxes and/or, value added taxes imposed on the Landlord with respect to Fixed Annual Rent, Additional Rent or any other amounts payable by the Tenant to the Landlord under this Lease, whether characterized as a goods and services tax, sales tax, harmonized sales tax, value added tax or otherwise (hereinafter, collectively, "**HST**"), it being the intention of the parties that the Landlord shall be fully reimbursed by the Tenant with respect to any and all HST payable by the Landlord. The amount of HST so payable by the Tenant shall be calculated by the Landlord in accordance with Applicable Laws and shall be paid to the Landlord at the same time as the amounts to which HST apply are payable to the Landlord under the terms of this Lease. Notwithstanding any other provision in this Lease to the contrary, HST shall be deemed not to be Rent, but the Landlord shall have all of the same remedies for and rights of recovery of such amount as it has for recovery of Rent under this Lease.
- 4.3 **Net Rent.** Except as expressly provided in this Lease to the contrary, the Fixed Annual Rent shall be absolutely net to the Landlord so that this Lease shall yield net to the Landlord the Fixed Annual Rent throughout the Term. The Landlord shall not be responsible for any Utility Charges and all other costs, charges, expenses and outlays arising from or relating to the Premises or the use and occupancy thereof, and the Tenant shall pay for its own account, to complete exoneration of the Landlord, all Utility Charges and all other costs, charges, expenses and outlays of every nature and kind relating to the Premises and the business of the Tenant carried on therein, including but not limited to, all business taxes.
- 4.4 **First Year Additional Rent.** The Landlord estimates that the Additional Rent for the 2016-2017 Lease Year is Twenty Four Thousand One Hundred Dollars (\$ 24,100.00) based on the amount of \$2.41 per square foot of Rentable Area of the Premises, plus HST. This is only estimated at this time and shall be adjusted once true Building costs are known.
- 4.6 **Failure to Pay.** The Tenant shall pay the Additional Rent at the times when they become payable, and in the event of any failure by the Tenant to pay any Additional Rent when due, the Landlord shall have all of the rights, powers and remedies provided for herein or by Applicable Laws.

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- 3.2 **Market Rate Calculation.** The Market Rent shall be agreed upon between the Landlord and the Tenant no later than 2 months prior to the expiry of the Term, failing which either the Landlord or the Tenant (the "**Requesting Party**") shall be entitled to notify the other party (the "**Receiving Party**") of the name of an expert for the purpose of determining the Market Rent. Within 10 Business Days after such notice from the Requesting Party, the Receiving Party shall notify the Requesting Party either approving the expert proposed by the Requesting Party or naming another expert for the purpose of determining the Market Rent. Should the Receiving Party fail to give notice to the Requesting Party within the said 10 Business Day period, the expert named in the notice given by the Requesting Party shall perform the expert's functions hereinafter set forth. If the Landlord and the Tenant are unable to agree upon the selection of the expert within 10 Business Days after such notice from the Receiving Party to the Requesting Party, then either party shall be entitled to apply to a court to appoint an expert in the same manner as an arbitrator may be appointed by a court under the *Arbitration Act*, RSNL 1990, c. A-14. The expert appointed, whether by the Landlord and Tenant or by a court, shall be qualified by education, experience and training to value real estate for rental purposes in the Province of Newfoundland and Labrador, and shall have been ordinarily engaged in the valuation of real property in the municipality in which the Premises are located for at least the immediately preceding 5 years. Within 20 Business Days after being appointed, the expert shall make a determination of the Market Rent for the applicable Extension Period, without receiving evidence from either the Landlord or the Tenant. The determination of the expert as to the Market Rent shall be conclusive and binding upon the Landlord and the Tenant and not subject to appeal. The costs of such determination shall be split equally between the Landlord and the Tenant.

#### **ARTICLE IV**

##### **RENT AND DEPOSIT**

The Tenant hereby covenants with the Landlord as follows:

- 4.1 **Payment of Fixed Annual Rent.** The Tenant shall pay over the Term of ten (10) years from the Commencement Date yielding and paying during the Term unto the Landlord in lawful money of Canada without any prior demand Net Rent based on the following:
- a) The sum of One Hundred and Seventeen Thousand Five Hundred Dollars (\$ 117,500.00) plus HST calculated at a rate of Eleven Dollars and Seventy Five Cents (\$ 11.75) per square foot per annum which the Tenant agrees to pay to the Landlord in equal monthly installments of Nine Thousand Seven Hundred and Ninety One Dollars and Sixty Seven Cents (\$ 9,791.67) plus HST each payable in advance on the first day of each and every month during the first five (5) years of the Term;
  - b) The sum of One Hundred and Twenty Two Thousand Five Hundred Dollars (\$ 122,500.00) plus HST calculated at a rate of Twelve Dollars and Fifty Cents (\$12.25) per square foot per annum which the Tenant agrees to pay to the Landlord in equal monthly installments of Ten Thousand Two Hundred and Eight Dollars and Thirty Three Cents (\$ 10,208.33) plus HST each payable in advance on the first day of each and every month during the years six (6) and seven (7) of the Term;

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- 4.7 **No Setoff.** Fixed Annual Rent and Additional Rent shall be paid to the Landlord at the Landlord's address signified in this Lease, or at such other place as the Landlord from time to time may designate, all without notice, demand, counterclaim, setoff, deduction or defence, and without abatement, suspension, deferment, diminution or reduction for any reason whatsoever, except as hereinafter otherwise specifically provided.
- 4.8 **Lease Interest.** All Rent one month or more in arrears shall bear interest at the Lease Interest Rate.

## ARTICLE V

### OPERATING COSTS

- 5.1 **Operating Costs.** The term "**Operating Costs**" means, except as otherwise provided, only those expenditures for charges or costs relating to the Land and Building actually disbursed by the Landlord and which are reasonable, actual, prudent, computed in accordance with generally accepted accounting principles, practices and procedures, and without any duplication, including without limitation:
- (a) the cost of lot and site lighting for the Land and Building;
  - (b) the cost of cleaning, garbage disposal (if not paid for by the Tenant in accordance with its obligations set forth in section 10.2(f), maintenance of common areas, policing, night watchmen and commissionaires, if used, providing and caring for plants, trees, shrubs and other landscaping items, and pest extermination for the Land and Building;
  - (c) the cost of repair, maintenance, replacement and construction of any structural repairs to the Building including, without limitation, all roofs and roof membranes or portions thereof, exterior lighting equipment, any and all walls and or portions thereof other than of a non-structural nature, and any and all underground services (including buried pipes), pipes, drains, structure, footings and foundations;
  - (d) all parking lot costs, including without limitation the cost of repair and maintenance, painting parking lines, signs, barriers, curbs, operating, supervising, cleaning, snow removal to a reasonable standard, illumination, pavement repair and maintenance including patching, overlaying, resurfacing, repaving and drainage;
  - (e) the cost of all risk liability, general liability, fire and casualty and any other insurance against such other casualties against which the Landlord may reasonably insure;
  - (f) all rental costs respecting entrance and directional signage;
  - (g) all capital replacements and other costs that are of a capital nature, depreciated in accordance with generally accepted accounting principles; and
  - (h) any other cost that the Landlord may reasonably incur for the administration, operation, maintenance, and management of the Land and Building.

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than Lease Interest or other interest charges payable by the Tenant as specifically authorized by this Lease;

- (j) all costs resulting directly or indirectly from any expansion of the Building;
- (k) all costs associated with testing for, removal of or otherwise dealing with, Hazardous Substances, other than such Hazardous Substances as are contemplated by Section 15.3;
- (l) all ground rent payable to any ground lessor if the Landlord is not the owner of the Land and all payments on any mortgages, charges or other encumbrances registered against title to the Land or incurred with respect to the Building or the Land;
- (m) all audit fees and disbursements;
- (n) depreciation in general, and specifically on the parking lot, buildings and structures and HVAC equipment;
- (o) all capital and/or large corporation taxes; and
- (p) any expenditures for charges or costs relating to the Premises that would otherwise be considered Operating Costs and actually disbursed by the Tenant with the prior written consent of the Landlord.

5.3 **Monthly Instalments.** The Tenant agrees to pay to the Landlord in equal monthly instalments in advance one-twelfth of the previous year's Operating Costs with the payment of Fixed Annual Rent. For the first year of the Term, the Landlord has provided an estimate of the Operating Costs and the Tenant's monthly prepayments are based on this estimate.

5.4 **Operating Costs Statement.** Within 3 months after the end of each Lease Year, the Landlord shall furnish to the Tenant a detailed statement, (confirmed as to validity by an officer of the Landlord), of the actual Operating Costs relating to such Lease Year and verified by such evidence that the Tenant may reasonably require. Any outstanding balance owing or overpayment by the Tenant shall be paid within 20 Business Days of receipt of such statement. The Landlord shall provide to the Tenant copies of receipted invoices and accounts relating to the payment of specific Operating Costs.

5.5 **Reimbursement.** For a period of 24 months after the Landlord furnishes the Tenant the statement referenced in Section 5.4, the Landlord shall make available, within twenty (20) Business Days' of written notice from the Tenant, the records of the Landlord relating thereto to examine and establish or confirm the amount, if any, paid by or to be paid to the Tenant. The cost of such examination by the Tenant will be borne by the Tenant unless such examination discloses a variation in excess of 10% of such charges for the Lease Year with respect to which such examination is conducted, in which event the Landlord will reimburse to the Tenant all reasonable costs incurred for such examination, and any overpayment by the Tenant shall be repaid to the Tenant within 20 Business Days of notification or, at the option of the Tenant, may be applied

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*pro tanto* in satisfaction of the next ensuing payment of Operating Costs.

5.6 **Gross-Up.** In computing Operating Costs and Real Estate Taxes:

- (a) if less than 100% of the Rentable Area of the Building is completed or occupied during any period for which a computation must be made, the amount of Operating Costs and Real Estate Taxes shall be increased by the amount of the additional costs determined by the Landlord, acting reasonably, that would have been incurred had 100% of the Rentable Area of the Building been completed or occupied during that period, provided that, for greater certainty, it is confirmed that in no event shall the Tenant's Proportionate Share of the Operating Costs and Real Estate Taxes be increased pursuant to this Section 5.6 beyond the amount that would be payable if the Building had been fully rented; and
- (b) if any service which is normally provided by the Landlord to some tenants of the Building:
  - (i) is not provided to the Tenant under the specific terms of this Lease, in determining Operating Costs for the calculation of the Tenant's Proportionate Share, the Landlord shall exclude the costs of that service, except as any such costs relate to the common areas; or
  - (ii) is not provided in a significant portion of the Property, then in determining the Tenant's Proportionate Share of Operating Costs, the Landlord may divide the cost of that service by the difference between the Rentable Area of the Building and the number of square feet of the Building to which the Landlord does not provide the service.

## ARTICLE VI REAL ESTATE TAXES

- 6.1 **Landlord Obligations.** Subject to the provisions of Section 6.2 providing for payment by the Tenant of Real Estate Taxes, the Landlord shall, pay, on or before the due date, the actual cost of all Real Estate Taxes which may be levied or assessed by any lawful authority against the Premises.
- 6.2 **Tenant Obligations.** The Tenant shall pay to the Landlord, on demand as Additional Rent, the Tenant's Proportionate Share of all Real Estate Taxes for each Lease Year during the Term. The Tenant may take the benefit of any law permitting any Real Estate Taxes to be paid over time or in instalments. During the Term, the Landlord shall deliver to the Tenant, in a timely manner, a copy of any assessment notice received from the relevant taxing authority such that the Tenant has not less than 5 Business Days to appeal any such assessment. The Tenant, at its own cost and expense, may, if it shall in good faith so desire, contest the assessment by appropriate proceedings to obtain a reduction in the assessed valuation of the Premises.
- 6.3 **Proration.** Real Estate Taxes for the tax periods during which the Commencement Date and the expiry of the Term occur shall be prorated so that the Tenant pays only

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that portion of the Real Estate Taxes allocable to the time covered by the Term. Such proration shall be computed and made as soon as practicable after the Commencement Date and the expiration of the Term.

## ARTICLE VII USE AND OCCUPANCY

- 7.1 **Permitted Use.** The Tenant shall have the right to use the Premises solely for the purposes of a food, water, pathology, oil & gas, environmental, toxicology, scientific research, testing facility and laboratory and all associated sample handling, processing, treatment and other testing as required, and incidental office and administrative uses, and any other related use permitted under Applicable Laws (hereinafter, collectively, the "**Permitted Use**"). The Tenant agrees to engage in good faith discussions with the Landlord and to obtain the Landlord's prior consent (which consent shall not be unreasonably withheld, delayed or conditioned) to any proposed deviation from the Permitted Use. The Tenant shall not use or occupy the Premises or permit the Premises to be used or occupied for any unlawful purpose in material violation of any Applicable Laws or in any manner which would violate any certificate of occupancy with respect of the Premises, or which would or would be likely to: (a) cause material damage to the Premises, (b) constitute a public or private nuisance or noxious or offensive trade or business that has a material adverse effect upon the Landlord's ability to maintain insurance against fire and the usual additional perils.
- 7.2 **No Competition.** *Intentionally Deleted*
- 7.3 **Zoning.** The Landlord warrants and represents that the present zoning of the Land pursuant to all Applicable Laws permits the completion of the Landlord's Work and the use and occupancy of the Premises for the purpose of carrying on the Permitted Use. If any zoning restriction, limitation, prohibition or condition is in effect at the time of the execution of this Lease, or comes into effect at any time during the Term making it impossible for the Tenant to carry on or to continue to carry on the Permitted Use, or any substantial part thereof, the Tenant shall have the option to terminate this Lease upon within 3 months' written notice to the Landlord, provided that, if the Landlord within such within 3 month period causes the removal of such zoning restriction, limitation, prohibition or condition, this Lease shall not be terminated.
- 7.4 **Signage.** The Tenant covenants with the Landlord that no sign may be affixed to the exterior of the Premises, or lettering placed upon the glass portions of same, without first obtaining the Landlord's prior written consent, which consent shall not be unreasonably withheld. The Landlord reserves the right to erect on the Land or Building a common structure upon which the Tenant may place, at its sole cost and expense, such signage or advertising as shall be first approved by the Landlord, whose approval shall not be unreasonably withheld.
- 7.5 **Parking.** The Tenant shall have the non exclusive use of the on site parking for 25 vehicles during the Term, or any extensions thereof. The Tenant, its employees and suppliers may be prohibited from using parts of the parking areas associated with the Land that are not required for the business purposes and uses of the Tenant, as the

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same may be designated and changed from time to time by the Landlord. Upon reasonable notice by the Landlord and for a reasonable period, Tenant, employee and supplier parking may be limited to specific times and places, arranged so as to cause minimal interference to businesses on the Land. Parking may be regulated by the Landlord in a reasonable manner and the Tenant, its employees and suppliers shall abide by such regulations as may from time to time be established by the Landlord. The Tenant shall, if requested by the Landlord, provide the licence plate numbers of its employees to the Landlord. Such parking shall be used at the risk of the Tenant, its customers, patrons, servants and agents, except as to personal injury, loss or damage is caused by the breach of this Lease by the Landlord or by the negligence of the Landlord or its servants, agents, invitees or licensees. The Landlord shall not be obliged to police the usage of the parking area.

7.6 *Relocation* *Intentionally Deleted.*

## ARTICLE VIII

### TENANT'S WORK

8.1 *Tenant's Work.* Subject to the Landlord's obligations, representations and warranties as set forth in this Lease (including section 10.1 and 11.6), the assumption of occupancy by the Tenant on the Commencement Date shall be deemed for all purposes to constitute acceptance by the Tenant of the condition of the Premises as of that date. The Tenant's Work shall be at the Tenant's expense, subject to the prior consent of the Landlord, which consent shall not be unreasonably withheld, delayed or conditioned. The Tenant shall first obtain all necessary permits and consents from every Governmental Authority having jurisdiction. The Tenant shall complete the Tenant's Work in a good and workmanlike manner and in compliance with all Applicable Laws and according to the Tenant's Improvement Guidelines as detailed in Schedule "C".

## ARTICLE IX

### INSURANCE AND INDEMNITY

9.1 *Tenant Insurance.* From and after the Commencement Date, the Tenant shall procure in its name, and with the Landlord as an additional insured, and shall maintain in full force and effect at all times during the Term, the following types of insurance with respect to the Premises, paying as the same become due all premiums therefor:

- (a) commercial general liability insurance insuring against all liability of the Tenant and the Tenant's officers, employees, agents, licensees and invitees arising out of, by reason of or in connection with the use, occupancy, or possession of, or any conduct or activity on, the Premises, in an amount of not less than \$2,000,000.00 per occurrence for injury, death, or damage to property and \$4,000,000.00 in the aggregate;
- (b) insurance upon property owned by the Tenant, or for which the Tenant is legally liable or installed by or on behalf of the Tenant, and which is located within the Premises in an amount not less than 100 % of the full replacement cost thereof,

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with all risks coverage against the perils usually covered under standard all risk coverage, including sprinkler leakages, earthquakes, flood and collapse;

- (c) if applicable, broad form boiler and machinery insurance on a blanket repair and replacement basis covering, in an amount of not less than the replacement cost, all boilers, pressure vessels, air-conditioning equipment and miscellaneous electrical apparatus owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises, or relating to or serving the Premises; and

In the event of any loss covered by the Tenant's insurance policies, the Tenant shall be responsible for the payment of any deductibles payable thereunder.

- 9.2 **Landlord Insurance.** From and after the Commencement Date, the Landlord shall procure, and shall maintain in full force and effect at all times during the Term, all-risk property insurance written on a replacement cost basis to cover the replacement value of the Building and other property for which the Landlord has insuring responsibility, paying as the same become due all premiums therefor. In the event of any loss covered by the Landlord's insurance policies, the Landlord is shall be responsible for paying any deductibles under the policies.
- 9.3 **Form of Policies.** Each party shall pay all premiums for the insurance coverage which such party is required to procure and maintain under this Lease. Each insurance policy shall: (i) be issued by an insurer authorized under Applicable Laws to issue the coverage provided by the policy; (ii) provide that the policy cannot be cancelled as to the other party except after the insurer gives such other party 10 Business Days' prior written notice of cancellation; (iii) not be subject to invalidation as to such other party by reason of any act or omission of the procuring party or any of its officers, employees or agents; and (iv) contain a provision whereby the insurer itself waives any claims by way of subrogation against all parties.
- 9.4 **Evidence of Coverage.** Each party shall deliver evidence of coverage of the insurance required to be carried by such party to the other party prior to the Commencement Date, and following the renewal of the applicable policy or policies. Not less than 10 Business Days prior to the expiration date of each policy required to be carried by such party, such party shall deliver to the other party evidence of the renewal. All insurance required hereunder may be carried by such party under blanket policies covering any other properties or operations of such party or its affiliates.
- 9.5 **Mutual Releases.** Except as otherwise provided in this Lease, the Landlord and the Tenant each hereby remise, release and forever discharge the other from all actions, manner of actions, causes of actions, claims, suits and obligations which either has or may have against the other for or concerning, or by reason of, or in any way connected with or arising out of, or in consequence of, an occurrence in respect of which the releasing party has insurance or is required to insure pursuant to this Lease. For greater certainty, it is hereby stipulated that this release shall apply whether or not the claim being released was the result of the negligence of the released party or of any person for whom it is responsible in law. Nothing in this Section 9.5 shall affect the liability of the Landlord and the Tenant to a third party and each of the Landlord and the Tenant

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shall be entitled to full indemnity and contribution from the other to the extent of the other's fault or negligence respecting a claim brought by a third party against it.

- 9.6 **Indirect Losses.** Notwithstanding anything to the contrary contained in this Article 9, or any other provision of this Lease or any Applicable Laws, in no event shall the Landlord or the Tenant be liable to the other for any losses, damages or expenses related to business interruption or economic loss, down-time, lost profits, business or savings, indirect, special, consequential, incidental, punitive, aggravated or exemplary losses, damages or expenses, even if it has been advised of their possible existence.

## **ARTICLE X**

### **ADDITIONAL TENANT'S COVENANTS**

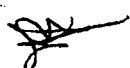
The Tenant further covenants with the Landlord as follows:

- 10.1 **Maintenance.** At its sole cost and expense, the Tenant shall operate and maintain the Premises in good order and condition, and promptly make all repairs and replacements to the interior, non-structural elements of the Premises when needed, consistent with the condition thereof as at the Commencement Date, normal wear and tear excepted, and shall repair all damages to the Premises caused by the negligence or wilful misconduct of the Tenant, or its employees, agents or contractors. If the Tenant at any time fails to make repairs or replacements when needed, the Landlord may make them and the cost of them, together with interest computed at the Lease Interest Rate from the date of payment by the Landlord, shall be charged to and paid by the Tenant as Additional Rent. The Tenant shall permit the Landlord and its representatives at all reasonable times and after providing 24 hours advanced notice to enter upon and view the Premises and their state of repair and to make such needed repairs and replacements as the Landlord may specify in writing. Notwithstanding anything to the contrary contained in this Section 10.1, the Tenant shall have no obligation to repair damage to, or remedy any disrepair of, any part of the Premises if: (a) such damage or disrepair was caused by the failure of any part of the Premises to be: (i) in good working order and condition on the Commencement Date; or (ii) constructed in a good and workmanlike manner and in accordance with all Applicable Laws; or (b) such damage or disrepair is caused by the negligence or wilful misconduct of the Landlord, its employees, agents, contractors or those for whom the Landlord is in law responsible.
- 10.2 **Negative Covenants.** The Tenant shall not:
- (a) commit, permit or allow any waste or any nuisance upon the Land, and shall indemnify the Landlord against all or any damage to the Land and Buildings or to the Landlord's fixtures and fittings therein caused by the Tenant, its agents, servants, invitees or customers;
  - (b) permit the Premises to be used for any illegal, immoral or improper purpose or in any manner that may at any time be injurious or detrimental to the reputation of the Building;

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- (c) bring, or permit or allow to be brought, any Hazardous Substances upon the Land unless it is done so in compliance with Environmental Laws ;
- (d) do or to suffer to be done upon the Land anything which in the opinion of the Landlord reasonably taken may be to the annoyance, damage or disturbance of the Landlord or the occupiers of any adjoining premises;
- (e) leave, place or bring upon, deposit or permit or allow to be left, placed or deposited or brought upon the Land any material, substance or thing that in the opinion of the Landlord reasonably taken is or is likely to be or become, whether immediately or after a lapse of time, unsightly or an attraction for rodents or insects to the intent that the Land shall be kept tidy to the satisfaction of the Landlord;
- (f) put out garbage, refuse or debris in extemporized containers, but to use at all times a standard covered receptacle, and the Tenant acknowledges that the Tenant is wholly responsible for the regular removal of any or all accumulated garbage, refuse or debris from the Land; or
- (g) encumber, obstruct or use for any purpose, other than ingress or egress to and from the Premises, sidewalks and entrances of the Building or sell, advertise or conduct business anywhere in the Building other than in the Premises without first obtaining the prior written approval of the Landlord;
- (h) change or add any additional lock, bolt, fastening or other security device on any door or entrance of the Premises without the prior written consent of the Landlord and, upon termination of this Lease, the Tenant shall surrender forthwith all keys to the Landlord;
- (i) do or suffer to be done in, on or upon the Premises anything whereby the insurance on the Building or any of the fixtures contained therein may be rendered void or voidable;
- (j) do anything in or upon the Premises which shall cause the gross costs of insuring the Building or any part thereof or any fixtures contained therein against loss or damage by fire or other insurable perils to increase, and in such an event the Tenant agrees to pay the Landlord, on demand, the increased gross costs so charged and actually paid by the Landlord; or
- (k) install or bring in, on or upon the Premises any machinery or equipment which would structurally damage the Premises or the Building without the prior permission in writing of the Landlord.

10.3 **Compliance with Regulations.** The Tenant covenants that in its use and occupation of the Premises, it will at its own cost and expense comply with all applicable regulations and orders of any liability or fire insurance company by which the Landlord or the Tenant may be insured, with all Applicable Laws in any manner affecting the Premises or the use or occupation of them, whether or not such Applicable Laws as may hereafter be

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promulgated, issued or enacted involve a change of policy or require structural or other changes or alterations in the Premises, and any reasonable rules or regulations that the Landlord may make for the operation, reputation, safety, care and cleanliness of the Land and Building from time to time, including without limitation the operation and maintenance of the Building and any equipment therein, the use of the common areas and facilities, the lighting of the Premises, the display of signs visible outside the Premises and other matters affecting the operation of the Building.

- 10.4 ***Mechanics' or Other Liens.*** The Tenant shall permit no mechanic's, labourer's, materialman's or similar lien to stand against the Premises for any labour or materials furnished to, or with the consent of, the Tenant, its agents, or contractors, in connection with work performed on the Premises by or at the direction or sufferance of the Tenant; provided, however, that the Tenant shall have the right to contest the validity of or the amount claimed under any lien, provided contestation involves no forfeiture, foreclosure or sale of the Premises or any part of them; and provided further that upon a final determination the Tenant satisfies any judgment or decree rendered against the Tenant, with all proper costs and charges, and causes the lien to be discharged and released of record, all without cost to the Landlord; and provided further that on the Tenant's failure promptly to remove or contest any lien, the Landlord, at its option, may pay and discharge it, and all amounts paid by the Landlord, together with all expenses incurred in connection therewith, and interest thereon at the Lease Interest Rate from the date of payment by the Landlord shall be charged to, and paid by, the Tenant as Additional Rent.
- 10.5 ***Access to Premises.*** The Tenant shall permit the Landlord to enter upon the Premises at all reasonable times by providing 24 hours advance notice and as approved by the Tenant: (a) to make repairs, changes, replacements and restorations to the Premises that are required to be made by the Landlord, and (b) during the 6 month period preceding the date of expiration of the Term without extension, to exhibit the Premises to prospective tenants, provided that the Landlord shall not unreasonably interfere with the conduct of the Tenant's business therein.
- 10.6 ***Surrender at Expiration of Term.*** At the expiration or earlier termination of this Lease, the Tenant shall peaceably surrender and yield up the Premises to the Landlord in good and substantial repair and condition, reasonable wear and tear excepted; provided that the Tenant may, at the expiration of this Lease, if it is not in default under it, remove the Tenant's fixtures from the Premises, but in removing them the Tenant shall cause no damage to the Premises, promptly make good any damage that may be occasioned thereby, and restore the Premises to their condition prior to removal.
- 10.7 ***Assignment and Subletting.*** The Tenant shall not, without the Landlord's consent (which consent shall not to be unreasonably withheld, delayed or conditioned), sublet or transfer in any other manner all or any part of the Premises, licence the use of any portion thereof, or assign this Lease, provided that the Landlord shall not be deemed to be unreasonably withholding its consent if: (a) the Tenant is in default of any of its obligations pursuant to this Lease, or (b) the proposed assignee, subtenant or transferee is not deemed by Landlord, acting reasonably, to be creditworthy. Notwithstanding the foregoing, the Tenant shall have the right to assign this Lease or sublet or license all or any portion of the Premises without the Landlord's consent (but on prior written

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notice):

- (a) to an affiliate (as that term is defined in the Newfoundland and Labrador *Corporations Act*) of the Tenant; or
- (b) to a corporation with which the Tenant amalgamates; or
- (c) as part of a *bona fide* corporate reorganization of the Tenant;

(each, hereinafter, a "*Permitted Transferee*"), provided that such Permitted Transferee shall operate from the Premises in full compliance with the Permitted Use. Unless otherwise agreed to in advance and in writing by the Landlord, the Tenant shall remain liable to the Landlord for the balance of the Term and all Extension Periods for the payment of all Fixed Annual Rent and Additional Rent payable under this Lease, and for the full observance and performance of the covenants and provisos contained herein, and the Tenant shall indemnify the Landlord against all acts of default or neglect in respect of the Premises by any assignee, transferee or sub-lessee.

- 10.8 **Waiver of Distress Rights.** The Tenant hereby waives the benefit of any present or future legislation in force in the Province of Newfoundland and Labrador that takes away or limits the Landlord's right of distress, and without limitation covenants and agrees that the Landlord may seize and sell the Tenant's goods and chattels for payment of Fixed Annual Rent and Additional Rent.
- 10.9 **End of Term.** Upon expiration or other termination of the Term, the Tenant shall peaceably and quietly quit and surrender the Premises in good order and condition, excepting only reasonable wear and tear, Destruction, and repairs that are the responsibility of the Landlord by the terms of this Lease.

## ARTICLE XI

### ADDITIONAL LANDLORD'S COVENANTS


The Landlord further covenants with the Tenant as follows:

- 11.1 **Quiet Enjoyment.** Provided that the Tenant pays the Rent when due and performs and observes the covenants and provisos contained in this Lease, the Tenant shall peaceably enjoy and possess the Premises for the Term without any interruption or disturbance from the Landlord or any other person or persons lawfully claiming under it.
- 11.2 The Landlord grants to the Tenant for the Term for the purpose of the business of the Tenant and in such manner as the Landlord may from time to time designate the right to use the areas in common with the Landlord and other tenants of the Building, the parking lot entrances, exterior pedestrian walkways, parking areas and all other common public conveniences and appurtenances thereto located within the Land and Building. The Landlord shall at all times have the right to control the common areas, including the right from time to time to alter the location of the parking areas, driveways and sidewalks, to make such changes and/or additions to the Building as in its sole discretion the Landlord may consider necessary or desirable, and to construct and

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erect additional buildings or to enlarge and extend the Building or future buildings.

- 11.2 **Operating Costs.** The Landlord covenants and agrees to use its best efforts to maintain the Operating Costs at a minimum, nothing intended herein however to relieve the Landlord of its obligations hereunder. In furtherance of the foregoing, the Landlord shall perform its obligations in such manner as will ultimately have the effect of keeping the Operating Costs over the Term at a minimum.
- 11.3 **Alterations to Premises.** Provided it is not in default in the performance of its obligations under this Lease, the Tenant shall have the right to make at its own expense from time to time, during the Term, such non-structural alterations, additions, improvements and changes (hereinafter, collectively, the "**Alterations**"), in and to the Premises that it may deem necessary or desirable, provided such Alterations shall not reduce the value of the Premises, and provided further that the prior consent of Landlord has been obtained (which consent shall not be unreasonably withheld, delayed or conditioned), except that no consent shall be required for routine maintenance conducted by the Tenant. The Tenant, in making any Alterations, shall use materials of equal or better quality to those used in the construction of the Premises and comply with all Applicable Laws. The Tenant shall obtain or cause to be obtained all building permits, licenses, temporary and permanent certificates of occupancy and other governmental approvals that may be required in connection with the making of Alterations. The Landlord shall cooperate with the Tenant in the obtaining thereof and shall execute any documents reasonably required in furtherance of such purpose. It is understood and agreed that the Tenant shall not be required to restore the Premises as altered to its original state upon the expiration or earlier determination of the Term. It is further agreed that upon termination of this Lease, the Tenant may, provided no structural damage to the Premises has been caused thereby, remove its furniture, fixtures, and equipment and the Landlord will accept the Premises as altered without any obligation upon the Tenant to restore the Premises to its former condition.
- 11.4 **Repairs.** The Landlord shall maintain and repair in good operable condition throughout the Term, the roof, foundations, footings, columns, exterior walls and other structural components of the Land and Building, building systems, common areas, parking and other paved areas, utility lines and sewer pipes, except to the extent caused by the negligence or willful misconduct of the Tenant.
- 11.5 **Notice of Repairs.** The Tenant may give the Landlord notice of such repairs as may be required under the terms of Section 11.4, and the Landlord shall proceed forthwith and effect the same with reasonable diligence, but in no event later than 20 Business Days after having received notice. If the Landlord fails to repair the Premises within the 20 Business Day period (which period may be extended if the matter cannot reasonably be cured within the first 20 Business Days and the Landlord commences to cure within such 20 Business Days and diligently thereafter pursues such cure to completion), the Tenant may, in the event that such repairs in the Tenant's reasonable judgment are required so as not to materially adversely affect the Tenant's business operations in the Premises, perform the repairs and deduct the reasonable cost thereof from the Rent next coming due.

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- 11.6 **Compliance with Laws.** The Landlord represents and warrants that as of the Commencement Date the Building, the Land and the Premises comply in all material respects with Applicable Laws, and are in good order and repair.
- 11.7 **Landlord's Work** The Landlord shall, at its cost, complete the Landlord's Work as set forth in Schedule D in a good and workmanlike manner and in compliance with all Applicable Laws.

## **ARTICLE XII**

### **DESTRUCTION**

- 12.1 In the event of Destruction to all or any part of the Premises, the Landlord shall commence promptly, and continue with due diligence, to restore same to substantially the same condition as existed immediately preceding the Destruction, except as otherwise provided in this Article. If the Destruction is partial, Landlord shall complete the restoration within 3 months after the Destruction. If the Destruction is total, Landlord shall complete the restoration within 6 months after the Destruction.
- 12.2 If, as a result of Destruction, the Tenant loses the use of the whole or any part of the Premises, Rent shall abate to the extent that the Tenant is deprived of such use until the date on which the Tenant is again reasonably capable of opening for business in the repaired Premises.
- 12.3 If, as a result of Destruction, 50% or more of the Rentable Area of the Building is damaged, destroyed or rendered untenable, either Landlord or Tenant may elect to terminate this Lease by giving notice to the other of such election on or before the date which is 20 Business Days after the Destruction, stating the date of termination, which shall be not more than 20 Business Days after the date on which such notice of termination shall have been given, and (i) upon the date specified in such notice this Lease and the Term shall cease and expire and (ii) any Rent paid for a period after the date of Destruction shall be refunded to the Tenant upon demand.

## **ARTICLE XIII**

### **EXPROPRIATION**

- 13.1 In the event of expropriation of all or part of the Land, neither the Landlord nor the Tenant shall have a claim against the other for the shortening of the Term. The Landlord and the Tenant shall each look only to the expropriating authority for compensation. The Landlord and the Tenant agree to cooperate with one another so that each is able to obtain the maximum compensation from the expropriating authority as may be permitted by Applicable Laws in relation to their respective interests in the Premises.
- 13.2 Nothing herein contained shall be deemed or construed to prevent the Landlord or the Tenant from enforcing and prosecuting a claim for the value of their respective interests in any expropriation proceedings.

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**ARTICLE XIV**  
**DEFAULT AND ACCELERATION**

- 14.1 **Events of Default.** Any of the following events, individually or collectively, shall constitute an "**Event of Default**" by the Tenant under this Lease:
- (a) if the Tenant fails to pay when due any Rent or other payment of money to be made by the Tenant hereunder and does not cure such failure within 5 Business Days after the Landlord gives the Tenant written notice thereof;
  - (b) if the Tenant violates or breaches, or fails to fully and completely observe, keep, satisfy, perform and comply with, any agreement, term, covenant, condition, requirement, restriction or provision of this Lease (other than the payment of Rent or any other payment to be made by the Tenant), and does not cure such failure within 10 Business Days after the Landlord gives the Tenant written notice thereof, or, if such failure shall be incapable of cure within 10 Business Days, if the Tenant does not commence to cure such failure within such 10 Business Day period and continuously prosecute the performance of the same to completion with due diligence;
  - (c) if the Term or any of the assets of the Tenant at any time during the Term or any renewal of it are seized or taken in execution or attachment by any creditor of the Tenant;
  - (d) if the Tenant makes an assignment for the benefit of creditors, becomes bankrupt or insolvent or is so adjudged by any court of competent jurisdiction, takes the benefit of any legislation currently in force for or of advantage to bankrupt or insolvent debtors, becomes subject to any Applicable Laws relating to liquidation or winding-up, or takes any corporate step towards dissolution or other termination of its corporate existence;
  - (e) if any petition or other application is presented to a court of competent jurisdiction for the dissolution, liquidation or winding-up of the Tenant or for the appointment of a receiver or receiver and manager over its assets or affairs;
  - (f) if the Tenant abandons or attempts to abandon the Premises; or
  - (g) if the Premises are used for a purpose other than a Permitted Use without the written consent of the Landlord.
- 14.2 **Remedies.** Upon any Event of Default by the Tenant, the Landlord may pursue any one or more of the following remedies, separately or concurrently or in any combination, without any notice (except as specifically provided below) or demand whatsoever and without prejudice to any other remedy which it may have for possession of the Premises or for arrears in Rent or other amounts payable by the Tenant:

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- (a) The Landlord may exercise all common law rights of distress available to the Landlord in accordance with all Applicable Laws, all of which rights are hereby expressly reserved by the Landlord;
- (b) the Landlord may terminate this Lease by giving the Tenant written notice of termination, in which event the Tenant shall immediately quit and vacate the Premises and deliver and surrender possession of the Premises to the Landlord, and this Lease shall be terminated at the time designated by the Landlord in its notice of termination;
- (c) with or without terminating this Lease, the Landlord may enter upon and take possession of the Premises and expel or remove the Tenant and any other person who may be occupying the Premises, without being liable for prosecution or any claim for damages;
- (d) the Landlord may re-lease the Premises or any part thereof, at market-rate rent and on such terms and conditions as are customary for similar leases, in which event the Tenant shall pay to the Landlord on demand any deficiency that may arise by reason of such re-leasing;
- (e) the Landlord may do whatever the Tenant is obligated to do under the terms of this Lease, in which event the Tenant shall reimburse the Landlord on demand for any reasonable and actual expenses, including without limitation reasonable legal fees, that the Landlord may incur in thus effecting satisfaction and performance of or compliance with the Tenant's duties and obligations under this Lease; and
- (f) the Landlord may pursue against the Tenant any remedy or remedies provided in this Lease, and any other remedy or remedies provided for or allowed by law or in equity, separately or concurrently or in any combination.

The Landlord's pursuit of any one or more of the remedies provided in this Lease shall not constitute an election of remedies excluding the election of another remedy or other remedies, or a forfeiture or waiver of any relief. The Landlord's forbearance in pursuing or exercising one or more of its remedies shall not be deemed or construed to constitute a waiver of any Event of Default or of any remedy. No waiver by the Landlord of any right or remedy on one occasion shall be construed as a waiver of that right or remedy on any subsequent occasion or as a waiver of any other right or remedy then or thereafter existing. No failure of the Landlord to pursue or exercise any of the Landlord's rights or remedies or to insist upon strict and exact compliance by the Tenant with any agreement, term, covenant, condition, requirement, provision or restriction of this Lease, shall constitute a waiver by the Landlord of the right to demand strict and exact compliance with the terms and conditions of this Lease.

- 14.3 **Payments after Termination.** No payment of money by the Tenant to the Landlord after the expiration of the Term or other termination of this Lease, or after the giving of any notice by the Landlord, shall reinstate, continue or extend the Term or make ineffective any notice given by the Landlord prior to the payment of such money. After the service of any notice, the Landlord may continue to receive and collect Rent, and the

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payment thereof shall not make ineffective such notice.

- 14.4 **Acceleration of Rent.** Upon the occurrence of an Event of Default, the Fixed Annual Rent for the balance of the Term or for the current and the next ensuing 6 months, whichever shall be the lesser, and the Additional Rent for the current Lease Year (to be calculated at the rate for the previous Lease Year if Additional Rent has not been fixed for the current Lease Year) shall immediately become due and payable by the Tenant.
- 14.5 **Landlord's Breach.** In the event that the Landlord violates or breaches, or fails to fully and completely observe, keep, satisfy, perform and comply with, any agreement, term, covenant, condition, requirement, restriction or provision of this Lease, and does not cure such failure within 10 Business Days after the Tenant gives the Landlord written notice thereof (or, if such failure shall be incapable of cure within 10 Business Days, if the Landlord shall not commence to cure such failure within such 10 Business Day period, and thereafter, continuously prosecute the performance of the same to completion with due diligence), then the Tenant may: (i) terminate this Lease, or (ii) pursue any remedy or remedies provided in this Lease, and any other remedy or remedies provided for or allowed by law or in equity, separately or concurrently or in any combination. No failure of the Tenant to pursue or exercise any of the Tenant's rights or remedies or to insist upon strict and exact compliance by the Landlord with any agreement, term, covenant, condition, requirement, provision or restriction of this Lease, shall constitute a waiver by the Tenant of the right to demand strict and exact compliance with the terms and conditions of this Lease.

## ARTICLE XV ENVIRONMENTAL COVENANTS

- 15.1 **Compliance with Environmental Laws.** The Landlord represents and warrants that as at the Commencement Date: (i) the Premises are in compliance with all Environmental Laws; and (ii) there are Hazardous Substances handled and stored in compliance with Environmental Laws.
- 15.2 **Remediation by Landlord.** If removal, encapsulation or other remediation is required as to Hazardous Substances located in, on or under the Land by any Applicable Laws (hereinafter the "**Remediation**"), unless such Hazardous Substances were released or placed in, on or under the Land by the Tenant, the Landlord shall immediately, and with all due diligence, and at no expense to the Tenant, take all measures necessary in compliance with all Applicable Laws to remove such Hazardous Substances and perform such Remediation. The Landlord shall complete the Remediation at its sole cost and expense. Notwithstanding anything to the contrary in this Lease, if Remediation has not been completed within 3 months following the date such Hazardous Substances are discovered, the Tenant may terminate this Lease by written notice to the Landlord.
- 15.3 **Remediation by Tenant.** If, pursuant to any Applicable Laws, Remediation is required as to Hazardous Substances released or placed in, on or under the Land by the Tenant, the Tenant shall immediately, and with all due diligence, and at no expense to the Landlord, take all measures necessary in compliance with all Applicable Laws to remove such Hazardous Substances and perform such Remediation. Tenant shall

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complete the Remediation at its sole cost and expense. Notwithstanding anything to the contrary in this Lease, if such Remediation has not been completed within 3 months following the date such Hazardous Substances are discovered, the Landlord may terminate this Lease by written notice to the Tenant.

15.4 **Landlord Environmental Indemnity.** Subject to the provisions of Section 15.3, the Landlord agrees to indemnify and hold the Tenant, its officers, employees, agents and contractors free and harmless from and against any and all claims, damages, judgments, demands, penalties, fines, losses, liabilities, costs and expenses (including reasonable legal fees and other costs of litigation) incurred by the Tenant, directly or indirectly, during or after the Term of this Lease as a result of:

- (a) any Hazardous Substances present in, on or under the Land on the Commencement Date that are not in compliance with all Environmental Laws in effect on the Commencement Date ; or
- (b) the discharge in or from the Land by the Landlord or its employees, agents, contractors, lessees, and sub-lessees (hereinafter, collectively, the "**Landlord's Parties**") of any Hazardous Substances that are not in compliance with all Environmental Laws or the disposal, release, threatened release, discharge, or generation of Hazardous Substances that are not in compliance with all Environmental Laws to, in, on, under, about, or from the Land by any of the Landlord's Parties, or
- (c) the failure of any of the Landlord's Parties to comply with any Environmental Laws; or,
- (d) the disposal, release, threatened release, discharge, or generation of Hazardous Substances that are not in compliance with all Environmental Laws to, in, on, under, about, or from the Land by anyone other than the Landlord's Parties or the Tenant or its employees, agents or contractors (hereinafter, collectively, the "**Tenant's Parties**").

15.5 **Tenant's Environmental Indemnity.** The Tenant shall indemnify, defend and hold the Landlord and the Landlord's officers, employees, agents, contractors, lenders, attorneys, successors and assigns, free and harmless from and against any and all claims, damages, losses, forfeitures, penalties, expenses or liabilities (including reasonable legal fees and other costs of litigation) arising from or caused in whole or in part, directly or indirectly, by any of the following:

- (a) the discharge in or from the Premises by any of the Tenant's Parties of any Hazardous Substances that are not in compliance with all Environmental Laws or the disposal, release, threatened release, discharge, or generation of any Hazardous Substances that are not in compliance with all Environmental Laws to, in on, under, about, or from the Land by any of the Tenant's Parties, or
- (b) the failure of any of the Tenant's Parties to comply with any Environmental Laws.

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**ARTICLE XVI**  
**GENERAL**

- 16.1 **Lease Non-Terminable.** Except as expressly stated herein, this Lease shall not be terminable by the Tenant nor shall the Tenant be entitled to an abatement of, or reduction in the Rent and the Tenant shall continue to pay the Rent without deduction, abatement or set-off.
- 16.2 **Re-Entry by Landlord.** Upon termination of the Term, the Landlord may immediately or at any time thereafter re-enter the Premises, remove all persons or property using any means permitted by law, and repossess the Premises.
- 16.3 **Subordination.** This Lease shall be subordinate, and the Tenant hereby attorns its interest in and to the Premises, to any charge or charges from time to time created by the Landlord by mortgage or otherwise in respect of the Land and the Tenant shall promptly at any time as required by the Landlord execute all documents and give such further assurances as may be reasonably required to postpone its rights and privileges to the holder of any mortgage or other charge encumbrancer (hereinafter, each a "**Mortgagee**"). The Landlord shall use its reasonable commercial efforts to deliver to the Tenant a non-disturbance agreement from any such Mortgagee, whereby such Mortgagee agrees that so long as the Tenant performs its obligations and is not in default under the Lease, the Tenant shall be entitled to quiet possession of the Premises.
- 16.4 **Holding Over.** Except as otherwise set forth in this Lease, should the Tenant hold over in possession after the expiration of the Term without extension, such holding over shall not be deemed to extend the Term; but the tenancy thereafter shall continue as a tenancy from month to month upon the terms and conditions herein contained, save and except that:
- (a) the Tenant shall give the Landlord no less than 3 months' written notice that it will vacate the Premises on a specific date;
  - (b) there will be no further right to extend the Term;
  - (c) the Landlord shall be permitted to show the Premises to any prospective tenant during Normal Business Hours, with a minimum of 4 hours' notice to the Tenant; and
  - (d) the Tenant shall pay to the Landlord Fixed Annual Rent in an amount equal to 2.0 times the level of Fixed Annual Rent payable by the Tenant at the expiry of the Term then expired.
- 16.5 **Estoppel Certificates.** Upon the request of either party at any time, the Landlord and the Tenant agree to execute, acknowledge and deliver to the other, within 5 Business Days after such request, a written instrument, duly executed and acknowledged: (a) certifying that this Lease has not been modified and is in full force and effect or, if there

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has been a modification of this Lease, that this Lease is in full force and effect as modified, stating such modifications, (b) specifying the dates to which Rent has been paid, (c) stating whether or not, to the knowledge of the party executing such instrument, the other party is in default and, if such party is in default, stating the nature of such default, (d) stating the Commencement Date, and (e) stating which Extension Periods have been exercised, if any.

- 16.6 **Force Majeure.** If either party shall be prevented or delayed from punctually performing any obligation or satisfying any condition under this Lease by any strike, lockout, labour dispute, Act of God, governmental restriction, regulation or control, enemy or hostile governmental action, civil commotion, insurrection, sabotage, fire or other casualty or by any other event similar to the foregoing beyond the control of such party, then the time to perform such obligation or satisfy such condition shall be postponed by the period of time consumed by the delay. If either party shall, as a result of any such event, be unable to exercise any right or option within any time limit provided therefor in this Lease, the time for exercise thereof shall be postponed for the period of time consumed by such delay.
- 16.7 **Notices for Sale or Lease.** The Landlord may, at any time within 6 months before the expiration or sooner determination of the Term, enter upon the Premises and affix to them in some prominent location that will not interfere with the business of the Tenant a notice or sign that the Premises are available for sale or lease, and the Tenant shall not remove the notice or sign or permit it to be removed.
- 16.8 **Alternate Dispute Resolution.** Notwithstanding anything contained in this Lease to the contrary, save and except only the provisions of Section 3.2 respecting calculation of Market Rent, in the event that a dispute or difference arises with respect to this Lease that cannot be resolved by negotiation between the parties, then in such event the parties agree to use the services of a qualified, experienced mediator to attempt to resolve their dispute or difference and, failing agreement on the procedure to be followed, the mediation shall be conducted in accordance with the simplified rules of procedure for the conduct of mediations published by the ADR Institute of Canada Inc. commonly used in Newfoundland and Labrador.
- In the event that mediation does not result in a resolution of the dispute or difference, then in such event any unresolved issue may be taken to any other appropriate dispute resolution process agreed to by the parties, including arbitration or an appropriate court process. Should arbitration be agreed upon, the arbitration will be conducted in accordance with the simplified rules of procedure for the conduct of arbitrations published by the ADR Institute of Canada Inc. commonly used in Newfoundland and Labrador and pursuant to the *Arbitration Act* (Newfoundland and Labrador) as amended from time to time.
- 16.9 **Notices.** Any notices, requests, demands or other communications (collectively, "Notice") by the terms hereof required or permitted to be given by one party to the other party shall be given in writing by personal delivery, by registered mail, postage prepaid, by facsimile transmission or by electronic mail in personal document format (PDF) to such other party as follows:

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## (a) To the Landlord at:

70346 Newfoundland & Labrador Limited  
 10 Blue Puttee Drive,  
 St. John's NL A1A 0A4  
 Attention: Pete Hudson  
 Telephone: (709) 689 7500  
 E-Mail: cityllite@nf.sympatico.ca

## (b) To the Tenant at:

Petroforma Inc.  
 85 Bremigens Blvd.  
 Paradise, NL A1W 4A2  
 Attention: Michael Hanrahan  
 Telephone: 709-726-9345 x8  
 E-Mail: mhanrahan@petroforma.com

or to such other mailing or telephone number as any party may from time to time notify the other in accordance with this Section. Any Notice shall be deemed to have been received when delivered, transmitted or delivered by electronic mail in personal document format (PDF) or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted any Notice shall be given by personal delivery, facsimile transmission or electronic mail in personal document format (PDF).

- 16.10 **Additional Considerations.** The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Lease and every part thereof.
- 16.11 **Counterparts.** This Lease may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be one and the same instrument, and it shall not be necessary in making proof of this Lease to produce or account for more than one such counterpart.
- 16.12 **Time of the Essence.** Time shall be of the essence of this Lease and of every part hereof and no extension or variation of this Lease shall operate as a waiver of this provision.
- 16.13 **Entire Agreement.** This Lease and the annexed Schedules together constitute and embody the entire agreement between the parties with respect to all of the matters

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herein, its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof, and may not be amended or modified in any respect except by written instrument signed by the parties. Any schedules referred to herein are incorporated herein by reference and form part of this Lease.

- 16.14 **Enurement.** This Lease shall be binding upon and enure to the benefit of the successors and permitted assigns of the parties.
- 16.15 **Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.
- 16.16 **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein and each of the parties agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such Province.
- 16.17 **Gender.** In this Lease, words importing the singular number shall include the plural and *vice versa*, words importing the use of any gender shall include the masculine, feminine and neuter genders, and the word "*person*" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.
- 16.18 **Calculation of Time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Lease, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first Business Day following such non-business day.
- 16.19 **Legislation References.** Any reference in this Lease to a regulation, order or act of any Governmental Authority shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.
- 16.20 **Headings for Convenience Only.** The division of this Lease into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Lease.
- 16.21 **Severability.** If any article, section or any portion of any section of this Lease is determined to be unenforceable or invalid for any reason whatsoever, that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Lease and such unenforceable or invalid article, section or portion thereof shall be severed from the remainder of this Lease.
- 16.22 **Electronic Transmission.** The parties agree that this Lease may be transmitted by facsimile or such similar device and that the reproduction of signatures by way of telecopy or electronic mail in personal document format (PDF) devices will be treated as binding as if originals and each party undertakes to provide the other party with a copy of the Lease bearing original signatures forthwith upon demand.

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16.23 **No Presumptions.** The parties understand, agree and acknowledge that this Lease has been freely negotiated by both parties and that, in any controversy, dispute, or contest over the meaning, interpretation, validity, or enforceability of this Lease or any of its terms or conditions, there shall be no inference, presumption, or conclusion drawn whatsoever against either party by virtue of that party having drafted this Lease or any portion thereof.

16.24 **Independent Legal Advice.** Each of the parties acknowledges that it:

- (a) has had the opportunity to obtain independent legal advice;
- (b) understands its rights and obligations under this Lease and the nature and consequences of this Lease;
- (c) has not been subject to undue influence, coercion, duress or fraud; and
- (d) is signing this Lease voluntarily.

IN WITNESS WHEREOF the parties have caused this Commercial Lease Agreement to be executed by their respective duly authorized officers, effective as at the 29<sup>th</sup> day of July, 2016.

70346 NEWFOUNDLAND & LABRADOR LIMITED  
Landlord

By: Pete Hudson (c/s)  
[Authorized Signing Officer]  
Director

Petroforma Inc.  
Tenant

By: [Signature] (c/s)  
[Authorized Signing Officer]  
MICHAEL HARRISON  
PRESIDENT & CEO



**SCHEDULE "A"**  
**Legal Description & Survey**

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July 17, 2013

Job No. 10088

## LOT 16

**OCTAGON INDUSTRIAL PARK - PHASE 6**  
**PARADISE, NEWFOUNDLAND & LABRADOR**

ALL THAT piece or parcel of land, situate and being on the southern side of Bessington's Boulevard (20.5 metres wide), in the Town of Paradise, in the Province of Newfoundland & Labrador, Canada, and being bounded and situated as follows: **THAT IS TO SAY**, beginning at a point on the northern side of Bessington's Boulevard said point having coordinates N 5263 868.771 metres and E 515 291.610 metres of the Three Degree Modified Transverse Mercator Projection NAD - 83 for the Province of Newfoundland & Labrador, **THENCE** along the northern side of Bessington's Boulevard S 72°18'34" W for a distance of 45.905 metres, **THENCE** by Lot 14 N 17°41'22" W for a distance of 115.685 metres, **THENCE** along the southern side of a Buffer Zone (15 metres wide) N 71°19'17" E for a distance of 45.012 metres, **THENCE** by Lot 17 S 17°41'22" E for a distance of 116.463 metres, more or less, to the point of beginning, and containing an area of 5223 square metres, more or less. Which land is more particularly shown on the plan hereto attached. All bearings being referred to the above mentioned projection. All linear measurements are horizontal ground distances.

This description and accompanying plan, Job # 10088 of Brown & Wey Surveys, form an integral part of the returns and are not separable.

There is a construction line along the northern boundary as shown on the said attached plan.

There is an infrastructure easement along the southern boundary as shown on the attached plan.

Brown & Wey Surveys

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**SCHEDULE "C"****TENANT'S WORK****ARCHITECTURAL:**

- General Conditions:
  - o Site supervision
  - o Government review & approvals
  - o Building Permit
  - o Design fees
  
- Demolition:
  - o Removal of existing partitions, ceilings and finishes as required
  - o Cutting of new openings for doors & windows
  - o Cutting and patching of walls, floors, roof and ceilings to accommodate new mechanical & electrical services
  - o Removal of existing millwork where required
  
- Walls and partitions:
  - o Installation of new interior steel stud framed drywall partitions to suit new layout
  
- Finishes
  - o Supply and installation of new suspended ceiling systems throughout new spaces
  - o Painting of new walls, partitions, doors and frames
  - o Patching and repainting of existing walls, partitions, doors and frames.
  - o Supply and installation of new flooring
  
- Millwork
  - o Relocation of existing cabinetry and counters from existing facilities
  - o Supply and installation of new millwork
  
- Doors, frames and hardware
  - o Supply and installation of new interior solid core wood doors and exterior insulated hollow metal doors complete with glazing where required
  - o Supply and installation of new commercial grade hardware
  - o Supply and installation of new card access system on selected doors
  
- Windows
  - o Supply and installation of 3 new aluminum windows

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- Supply and installation of new operating awning window in existing window unit.

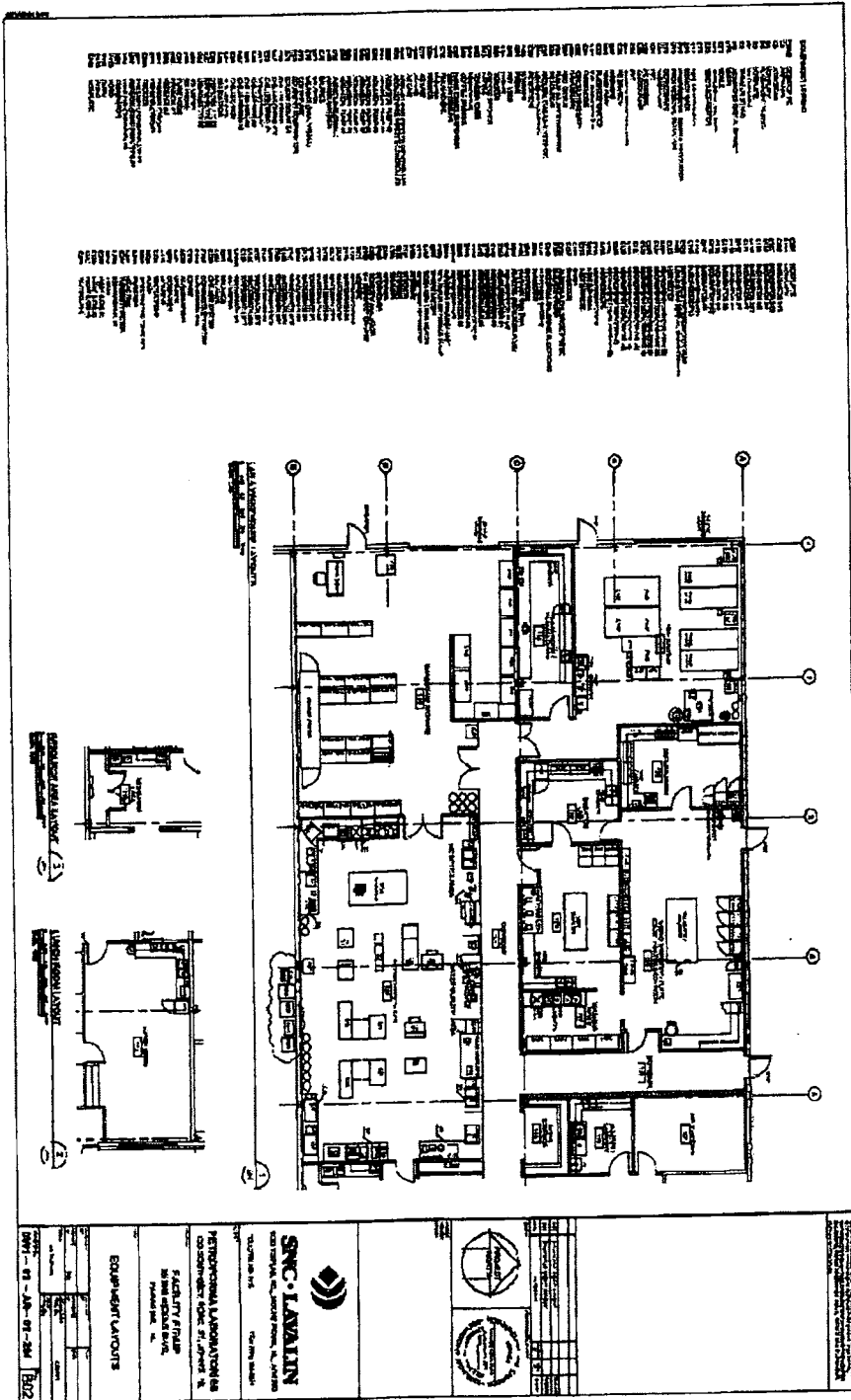
**MECHANICAL:**

- Plumbing
  - Supply and install new drainage, waste and vent piping to suite new layout
  - Supply and install new domestic cold and hot water distribution to suit new layout and plumbing code
  - Supply and install new plumbing fixtures
- Ventilation
  - Supply and install ventilation equipment, fume hood, exhaust fans, make up air units
  - Supply and install heating, air-conditioning and washroom exhaust to suit new layout

**ELECTRICAL:**

- Demolition, upgrading, and retrofit of existing systems.
- Lighting
  - Supply and install new lighting fixtures and controls to suit new layout
  - Supply and install new exit and emergency lights
- Power Distribution
  - Supply and install new distribution panels and wiring to suit new layout requirements.
  - Modify existing grounding system to suit new distribution.
  - Provide power to miscellaneous Tenant supplied equipment throughout the space
- Data
  - Provide conduits and outlets for data/voice drops as required by Tenant
- Intrusion Alarm
  - Provide conduits for intrusion alarm devices
- Fire Alarm
  - Provide an addressable fire alarm system for the new layout

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*Handwritten signature and initials:*  
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**TENANT'S IMPROVEMENT GUIDELINES**

- 1. All work including changes to the structure or systems employed in the Building necessitated by the Tenant's work shall first be approved by the Landlord.**
- 2. The preparation of all design and working drawings and specifications relating to completion of the Leased Premises for occupation by the Tenant and the calling of tenders and letting of contracts relating to the Tenant's work and the supervision and completion of the Tenant's work and payment shall be the responsibility of the Tenant.**
- 3. Approvals must be obtained by the Tenant for its work from the municipal building department and all authorities having jurisdiction and the Tenant must submit evidence of these approvals before commencing work. The Tenant shall be responsible for payment of all fees and charges incurred in obtaining said approvals to the Landlord before commencing work. The tenant shall be responsible for payment of all fees and charges incurred in obtaining said approvals and for obtaining occupancy permit prior to opening.**
- 4. All of the Tenant's work required by the Tenant to complete the Leased Premises for occupancy shall be carried out with good workmanship and shall not be in contravention of the codes or regulations of the municipality or any other authority having jurisdiction.**
- 5. Before commencing any work, the Tenant shall furnish the Landlord with written proof of all contractors' comprehensive general liability insurance for limits not less than those required by the Lease. The Landlord shall be included as an additional insured in the Tenant's insurance policy.**
- 6. Before commencing any work, the Tenant shall furnish the Landlord with written proof of all contractors' Workers' Compensation Board Clearances.**
- 7. The Tenant shall at all times keep the Premises and all other areas clear of waste materials and refuse caused by itself, its suppliers, contractors or by their work.**
- 8. The Landlord may require the Tenant to clean up on a daily basis and shall be entitled to clean up at the Tenant's expense if the Tenant shall not comply with the Landlord's reasonable requirements.**
- 9. All Tenant work including the delivery, storage and removal of materials shall be subject to the reasonable supervision of the Landlord in circumstances where the Landlord, acting reasonably, determines this to be necessary and shall be performed in accordance with any reasonable conditions or regulations imposed by the Landlord. Landlord supervision will be at the expense of the Landlord and will not interfere with the schedule or requirements of the General Contractor.**

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*[Signature]*

10. *In circumstances where the Landlord, acting reasonably, and in the event of material breaches of these guidelines, municipal building permits, or relevant occupational health and safety acts and regulations, and determines this to be necessary, the Landlord may require the Landlord's contractors and subcontractors be engaged for any mechanical or electrical work, acting reasonably and in the event of material breaches of these guidelines, municipal building*
11. *The Landlord shall not in any way be responsible for or liable with regard to any work carried out or any materials left or installed in the Premises and shall be reimbursed for any additional costs or expenses caused which may be occasioned to it by reason thereof and for any delays which may be directly or indirectly caused by the Tenant or its contractor.*
12. *Any damages caused by the Tenant, their subcontractors or subtrades employed on the work to any of the structure or the systems of the Building or to any property of the Landlord shall be repaired by the Landlord's contractor to the satisfaction of the Landlord and the Landlord may recover costs incurred from the Tenant.*
13. *If the Tenant's contractor neglects to carry out the work properly or fails to perform any work required by or in accordance with the approved plans and specifications, the Landlord, after thirty (30) days written notice to the Tenant and the Tenant's contractor may, without prejudice to any right or remedy, complete the work, remedy the default or make good any deficiencies and recover the costs incurred from the Tenant.*
14. *The Tenant shall maintain and keep on the Premises at all times during construction and the Term of the Lease, suitable fire extinguishers for Class A, B and C fires.*
15. *The Tenant shall perform its work expeditiously and shall complete same within the period stipulated in this Lease or any other agreement between the parties subject only to circumstances over which the Tenant has no control and which by the exercise of due diligence could have been avoided.*
16. *On completion of the Tenant's work, the Tenant shall forthwith furnish to the Landlord a statutory declaration stating there are no builder's liens outstanding against the demised Premises or the Building on account of the Tenant's work and that all accounts for work, service and materials have been paid in full with respect to all the Tenant's work, together with evidence in writing satisfactory to the Landlord that all assessments under the Workers Compensation Act of Newfoundland and Labrador have been paid.*
17. *The Tenant shall not suffer or permit any Builders' or other lien for work, labour, services or materials to be filed against or attached to the entire premises or any part thereof. The Tenant agrees that if any builders' lien is filed, as aforesaid as a result of his occupancy or possession the Tenant shall do all within its power to have the lien removed at the earliest possible date. This includes, but shall not be limited to, payment of monies into court and/or any other remedy which would result in the lien being removed from the title for the Lands.*

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- 18. No work shall be commenced by the Tenant until all drawings and specifications have been approved in writing by the Landlord, such approval shall be provided within three (3) business days of receipt, and until the Tenant has secured approval and permits from all authorities having jurisdiction and submitted proof to the Landlord. The Tenant shall complete all work in a good and workmanlike manner, and in strict accordance with the drawings and specifications approved by the Landlord. The Tenant agrees to indemnify and save the Landlord harmless from any and all loss, damage or injury which may result from the Tenant's activities in the entire Premises in completing the Premises as aforesaid. The Tenant acknowledges and agrees there may be inconvenience associated with completing with the Landlord's Work or the Tenant's Work as defined in Schedules C and D.**
- 19. If the Tenant does not comply with the provisions of the Lease including this Schedule, the Landlord, in addition to and not in lieu of other rights or remedies, shall have any or all of the following rights in its discretion:**
- i) to declare all fees, charges and other sums payable by the Tenant to the Landlord pursuant to this Schedule to be rent and to collectable as rent under the provisions of this Lease; or**
  - ii) after fifteen (15) days written notice to remedy to declare and treat the Tenant's non compliance as a default or breach of covenant under the Lease and exercise any right available under the provisions of the Lease.**

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**SCHEDULE "D"**

**LANDLORD'S WORK**

**ARCHITECTURAL:**

- Removal of existing 14'x14' overhead door at rear of space, and infill of remaining opening.
- Leveling of existing concrete pad as required to provide smooth and level floor surface.
- Installation of posts for roadside signage. Petroforma to provide signage of dimensions compliant with local bylaws.

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**APPENDIX B:  
OFFICE AND LABORATORY EQUIPMENT**

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## Petroforma Inc. Equipment

| Description  | List# | Qty |
|--|-------|-----|
| <b>Oil &amp; Gas Lab</b>   |       |     |
| Eiga Purelab Option OR015XXM1 Reverse Osmosis System                       | E155  | 1   |
| 4 Wheel Plastic Cart   |       | 18  |
| Metrohm 881 Compact IC Pro Chromatograph With                              | E017  | 1   |
| Metrohm 896 Professional Detector  | E018  | 1   |
| Agilent Gas Chromograph Auto Sampler 6850                                  | E038  | 1   |
| Agilent 7890A GC Series 0-1 With Analytical Detector Control               | E035  | 1   |
| Agilent 200 Series AA Atomic Absorption                                    | E037  | 1   |
| Agilent SPS 3 Auto Sampler   |       | 1   |
| Thermo Scientific 1CAP QC/Quadrupole ICP-MS Spectrometer                   | E219  | 1   |
| Folding Table 4 Ft   |       | 1   |
| Cetac Auto Sampler   | E220  | 1   |
| Stainless Steel Table 3ft x 30in   |       | 2   |
| Mandel Scientific Total Organic Carbon Analyser TOC-5000A<br>Ser#34501048A | E236  | 1   |
| Iatroscan MK6S Dual Detector System  | E003  | 1   |
| NIKKO Incubator  | E227  | 1   |
| Fisher Scientific Isotemp Oven (Incubator) DV700G Ser#2148100353530        | E010  | 1   |
| Wilkens-Andersen Separator   | E013  | 1   |
| Thermo Scientific Cimarec Stirring Hotplate                                | E014  | 1   |
| Hart Scientific Fluke 1529 Chub E4 Thermometer Ser#A73470                  | E289  | 1   |
| Barnstead Thermolyne Maxi Mix Speed Control Type 37600                     | E002  | 1   |
| Koehler Inst. Co Utility Heater 60 HZ 1000W                                | E005  | 1   |
| Thermo Scientific Neslab RTE-7 Recirculating Water Bath                    | E032  | 1   |
| Microbics Toxicity Analyser MS00 Ser#5001063                               | E166  | 1   |
| Fisher Scientific Isotemp Oven (Incubator) 750F Ser#60800152               | E136  | 1   |
| Mettler Toledo AG285 Ser#1119382026  | E072  | 1   |
| Sartorius Top Loading Balance LA1200S Ser#179095806                        | E011  | 1   |
| HACH DR 3900 Spectrophotometer Ser#1630608                                 | E239  | 1   |
| HACH DRB200 Reactor Ser# 15080C0203  | E241  | 1   |
| HACH DRB201 Reactor Ser#16120C0386   | E301  | 1   |
| Fisher Scientific AB40 Oxygen Meter  | E230  | 1   |
| HACH 2100Q Turbidity Meter   | E244  | 1   |
| Corning Magnetic Stirrer PC-3S3  | nil   | 1   |
| Symphony SB80PC PH Meter   | E208  | 1   |
| Fisher Scientific Accumet XL25 Meter                                       | E258  | 1   |
| Fisher Scientific 120S Stirrer   | E162  | 1   |
| Fisher Scientific Isotemp Incubator 3720 Ser#3720A/3720                    | E301  | 1   |
| Fume Hood 6ft  | E313  | 1   |
| Fisher Scientific FS60D  | E014  | 1   |
| Gast Vacuum Pump DAA-V715-EB   | E015  | 1   |
| Chandler Engineering 3000GL PVT System Ser#6583 With                       | E024  | 1   |
| Quizix Pump Q6620-174-H-ES-1 & Accessories                                 | E120  | 1   |
| Chandler Engineering 3000GL PVT System Ser#6574 With                       | E121  | 1   |
| Chandler Engineering Quizix Pump Q6620-174-H-ES-1                          | E023  | 1   |
| Thermolyne F6000 Furnace Ser#40800929                                      | E238  | 1   |
| Chandler Engineering Gasometer 2331B                                       | E304  | 1   |
| Chandler Equipment Flash Separator   | E029  | 1   |
| Home Made Shaking Device   | E027  | 1   |
| Heise 10,000 PSI Digital Pressure Indicator 901A Ser#S9-31378              | E308  | 1   |
| Chandler Scientific Hand Pump With Read Out                                | E306  | 1   |
| Leather & Metal Stools   |       | 9   |
| Anton Paar DMA Density Meter Hand Held                                     | nil   | 1   |
| Fisher Isotemp Fridge 50FREEFSA Ser#511N0016                               | E274  | 1   |
| Danby 4ft Domestic Freezer   |       | 4   |
| Habco Double Door Cooler   | E154  | 1   |
| Habco Double Door Cooler   | E152  | 1   |
| Flammable Double Door Storage Cabinet Sft x 3ft                            | nil   | 1   |
| Acid Storage Cabinet   | nil   | 1   |
| Portable Compressor  | nil   | 1   |
| Thermo Scientific Thermo Flex 2500 Chiller                                 | E221  | 1   |



|  |      |    |
|--|------|----|
| Type 5 Piston Sample Cylinder 700CC Volumetric Capacity With Certification & Sample Cylinder Transit Box | nil  | 44 |
| 20L Gas Sample Cylinder With Certification & Sample Cylinder Transit Box                                 | nil  | 11 |
| VWR Scientific Recirculator Chiller 1172 Ser#600136  | E081 | 1  |

#### Water & Toxicology Lab

|   |      |   |
|---|------|---|
| Insulated Heavy Plastic Wharf Box 2,000 lb Capacity | nil  | 7 |
| Mini Spit Heat Pump                                 | nil  | 2 |
| Custom Made Stainless Steel Cooling Tank            | nil  | 4 |
| Cole Parmer Diaphragm Pump                          | E156 | 1 |
| Shark PH Meter                                      | nil  | 1 |
| Aquafine UV Disinfection Unit                       | E169 | 1 |
| Hydraulic Lift Table                                | nil  | 1 |
| The Pump 40   | E062 | 1 |
| Fisher Scientific AR 25 Dual Channel PH/Ion Meter   | E142 | 1 |
| Fisher Scientific XI 600                            | E089 | 1 |
| Fisher Scientific AR 25 Dual Channel PH/Ion Meter   | E197 | 1 |
| Fisher Scientific Stir Plate 120S                   | E163 | 1 |
| Pump 20   | E061 | 1 |
| Nikon Microscope SMZ -18                            | E132 | 1 |
| Milton Roy Spectronic 20D                           | E159 | 1 |

#### Microbiology Lab

|  |      |   |
|--|------|---|
| True Double Door Cooler  | E151 | 1 |
| True Double Door Cooler  | E297 | 1 |
| Fume Hood 6ft  | nil  | 1 |
| New Brunswick Scientific Autoclave                               | nil  | 1 |
| Corning DC-101 Hot Plate Stirrer                                 | nil  | 1 |
| Sartorius Top Loading Balance LA1200S Ser#179095806              | E201 | 1 |
| STM-EL Steam Sterilizer Autoclave                                | E253 | 1 |
| STM-EL Steam Sterilizer Autoclave                                | E259 | 1 |
| STM-EL Steam Sterilizer Autoclave (Not Working)                  | E068 | 1 |
| Hobart Dishwasher  | E246 | 1 |
| 3 Pot Stainless Steel Sink With Spray Wand                       | nil  | 2 |
| General Tech Service Waterbath 148007 Ser#70900763               | E186 | 1 |
| Precision Water Bath   | E178 | 1 |
| Precision Water Bath Coliform 253 Ser#601101231                  | E174 | 1 |
| Fisher Scientific Water Bath Coliform 253 Ser#604071566          | E181 | 1 |
| Thermo Water Bath 2862 Ser#200049-22                             | E185 | 1 |
| Precision Water Bath Coliform 253 Ser#698040441                  | E177 | 1 |
| Precision Water Bath Circulating 260 Ser#696101542               | E176 | 1 |
| Precision Water Bath Circulating 260 Ser#603091207               | E179 | 1 |
| Fisher Scientific isotemp 228 Ser#906N0118                       | E175 | 1 |
| FisherScientific Isotemp 228 Ser#011N0283                        | E173 | 1 |
| Fisher Scientific Isotemp Incubator 650D Ser#50600242            | E109 | 1 |
| Fisher Scientific Isotemp Incubator 650D Ser#507N0190            | E110 | 1 |
| Fisher Scientific Isotemp Incubator 650D Ser#60900262            | E111 | 1 |
| Fisher Scientific Isotemp Incubator 650D Ser#104N0145            | E115 | 1 |
| Fisher Scientific Isotemp incubator 650D Ser#205N0129            | E113 | 1 |
| Fisher Scientific isotemp Incubator 650D Ser#904N0114            | E108 | 1 |
| Fisher Scientific Isotemp Incubator 650D Ser#103N0125            | E112 | 1 |
| Fisher Scientific Isotemp 228 Water Bath Ser#1608080829458       | E189 | 1 |
| Deep Freeze Domestic   | E094 | 1 |
| Leica Colony Counter   | E225 | 1 |
| Boekek Oven Model 131400 Ser#1264                                | E117 | 1 |
| Boekek Oven Model 132000 Ser#01230-25                            | E114 | 1 |
| Micromaster Telescope Model CK                                   | E266 | 1 |
| New Brunswick Scientific Pourmatic MP-1000                       | nil  | 1 |
| Thermo Scientific Water Bath WB1140A-1 Ser#X06U-522590-XU        | E172 | 1 |
| Thermo Scientific Water Bath WB1140A-1 Ser#NBV-523106-NV         | E188 | 1 |
| Vidas- Biomesieu Salmonella & Food Pathagem DetectingTest System | E248 | 1 |

|  |      |   |
|--|------|---|
| Precision Waterbath Coliform 253 Ser#604061863           | E180 | 1 |
| Fisher Scientific Incubator 650D Ser#507N0189            | E116 | 1 |
| Fisher Scientific Incubator 650D Ser#401N0029            | E106 | 1 |
| Fisher Scientific Incubator 6845 Ser#275404-368          | E107 | 1 |
| Forma Scientific Class 11 A/BC Biological Safety Cabinet | E271 | 1 |
| Domestic Fridge  | E150 | 1 |
| Domestic Fridge  | E043 | 1 |
| Gen Tech Ser. Isotemp 210 Ser#70900763                   | E183 | 1 |
| Sartorius Praxum 612-15 Ser#0029508832                   | E202 | 1 |
| Stomacher Lab Blender 400 BA6021 Ser#14006               | E255 | 1 |
| Stomacher Lab Blender 400 BA6021 Ser#172911              | E165 | 1 |
| Domestic Microwave Oven                                  | E316 | 1 |
| Fisher Scientific isotemp 228 Water Bath                 | E228 | 1 |

#### Other Equipment

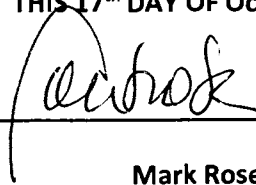
|  |  |    |
|--|--|----|
| 44in Wood Veneer Octagon Table                       |  | 2  |
| White Leather Office Chair On Casters                |  | 8  |
| 4ft Wood Veneer Folding Table                        |  | 1  |
| Dell Laptop  |  | 5  |
| 17in LCD Monitor                                     |  | 2  |
| Hp P2035N Printer laser Jet Printer                  |  | 2  |
| White Leather Managers Chair                         |  | 3  |
| 4ft x 2ft White Wood Veneer 3 Drawer Desk            |  | 2  |
| Lateral 4 Drawer File Cabinet                        |  | 2  |
| 5 Drawer Lateral File Cabinet                        |  | 9  |
| Metal Coat Tree                                      |  | 1  |
| Canon Image Class MF4770N Printer                    |  | 1  |
| 7ft x 7ft Reception/Work Station Wood Veneer         |  | 1  |
| PC With Monitor                                      |  | 7  |
| Metal Padded Reception Chair                         |  | 17 |
| 3 Drawer Wood Veneer Desk & Hutch 5.5ft x 4ft        |  | 1  |
| 4ft x 2ft Lift Electric Raising Table                |  | 1  |
| Metal Coat Tree                                      |  | 1  |
| Pan Shelving In Lots                                 |  | 1  |
| 4 Drawer Legal File Cabinet                          |  | 3  |
| Server   |  | 1  |
| APC Smart Ups 1500 Back Up                           |  | 1  |
| APC Smart Ups 750 Back Up                            |  | 1  |
| TP Link Jet Stream Managed POE Switch                |  | 1  |
| Dell Power Connect 2724                              |  | 1  |
| Belden 48 Port Switch                                |  | 1  |
| Hp Color Laser Jet 3600N Printer                     |  | 1  |
| Mop & Bucket   |  | 1  |
| Shop Vacuum  |  | 1  |
| Cubicles With Componentes (Desks, Hutch/Storage Area |  | 10 |
| Aasta 6731i Phone                                    |  | 15 |
| Hp Laser Jet P2035N Printer                          |  | 1  |
| Xerox Work Centre 7775 With Sorter Photo Copier      |  | 1  |
| Fold Up Chairs                                       |  | 8  |
| Wood Padded Reception Chair                          |  | 4  |
| Enclosed White Board                                 |  | 1  |
| Board Room Table 9.5ft x 3.5ft                       |  | 1  |
| Fridge   |  | 1  |
| Microwave Oven                                       |  | 1  |
| Keurig Coffeee Dispenser                             |  | 2  |
| Toaster Oven   |  | 2  |
| Toaster  |  | 1  |
| Step Up  |  | 1  |
| Panasonic KX-TPA60 Cordless Phone                    |  | 2  |
| 5ft x 3ft Wood Veneer Book Case                      |  | 13 |

**THIS IS EXHIBIT "F"  
TO THE AFFIDAVIT OF**

**Jason Breeze**

**SWORN TO BEFORE ME**

**THIS 17<sup>th</sup> DAY OF October, 2017**

A handwritten signature in black ink, appearing to read "Mark Rosen", is written over a horizontal line.

**Mark Rosen  
A Notary Public in and for the  
Province of Nova Scotia**

**OFFER TO**  
**PURCHASE OF ALL ASSETS OF**  
**PETROFORMA INC. ("PFI")**  
**BY**  
**PLUTO INVESTMENTS INC. ("PLUTO")**  
**FROM**  
**BDO CANADA LIMITED ("BDO")**

This Offer ("Offer") sets forth the basic terms of a proposed purchase (the "Transaction") of all of the assets of Petroforma Inc. ("PFI" or the "Company") by Pluto Investments Inc. ("Pluto" or the "Purchaser"), or its assigns. PFI operates a commercial chemical testing laboratory in Paradise, Newfoundland and Labrador ("the Business").

It is clearly understood and acknowledged that this Offer is binding and outlines certain terms and conditions which must be met and included in a definitive asset purchase agreement. If accepted by BDO then BDO must (except as provided herein) deal exclusively with Pluto and not disclose and keep confidential the Transaction. This Transaction will be subject to all the terms and conditions as set forth herein and in the definitive asset purchase agreement being met. In the event of any inconsistency between this Offer and the Petroforma Inc. Sale Offer Terms & Conditions (including the Notice to Reader) dated August 14, 2017, this Offer shall govern.

Based on the financial information as provided by BDO the following sets out the terms and conditions of the Offer.


|                        |   |
|------------------------|---|
| <b>Transaction:</b>    | Pluto to purchase Parcel B – all office and laboratory equipment "as-is where-is".  |
| <b>Purchaser:</b>      | Pluto Investments Inc. is 100% owned by Paul Antle, of St. John's, NL.  |
| <b>Purchase Price:</b> | Pluto offers \$700,000.   |
| <b>Consideration:</b>  | Pluto will settle the transaction as follows:<br>a) 5% cash deposit;<br>b) 95% by way cash following Court Approval of the Transaction. |


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| <b>Closing Date:</b>                       | Pluto to close the Transaction within 30 days of acceptance by BDO or within 10 business days of BDO receiving Court Approval (the "Closing") provided that Closing shall not occur on a date that is less than thirty (30) days from the date of acceptance.  |
| <b>Exclusivity:</b>                        | Upon acceptance of this Offer the parties agree to negotiate exclusively and in good faith in order to conclude and enter into a definitive asset purchase agreement. Exclusivity will extend for 21 days from acceptance of this term sheet. If there are any requisitions submitted following the due diligence period that are not acceptable to BDO, then BDO reserves the right to terminate the exclusivity granted under the term sheet with no further notice to the Pluto.  |
| <b>Non-disclosure and Confidentiality:</b> | Except for disclosure of this transaction to the Court the parties will not, without the written consent of the other, disclose: (i) that this Offer has been entered into; or (ii) that any investigation, discussion or negotiation is taking place concerning the Transaction.  |
| <b>Conditions:</b>                         | <p>Completion of the Transaction shall be subject to the following:</p> <ul style="list-style-type: none"> <li>i. All assets currently on site at PFI's location (85C Bremigens Blvd.) are included and form part of Parcel B;</li> <li>ii. Pluto shall have 21 days from acceptance to undertake due diligence. If such investigation reveals any matter including any of the items below which are not to the satisfaction of Pluto, in its sole discretion, within the 21 days, then Pluto may terminate this binding offer agreement without liability: <ul style="list-style-type: none"> <li>- title on the assets;</li> <li>- all laboratory certifications being in good standing;</li> <li>- Pluto is able to secure operating contracts with existing equipment vendors for supplies and service;</li> <li>- Pluto is able to secure employment agreements with existing employees on terms similar to those currently in place but acceptable to Pluto; and</li> <li>- all necessary consents have been obtained.</li> </ul> </li> <li>iii. The commercial lease dated July 29<sup>th</sup>, 2017 between PFI and 70346 Newfoundland and Labrador Limited must be renegotiated with terms acceptable to Pluto within the 21 days;</li> <li>iv. All assets purchased are free and clear of all encumbrances and liens;</li> <li>v. That all municipal tax liabilities are up to date or removed as part of the Court Approval;</li> <li>vi. All documentation held by BDO related to the laboratory equipment is made available to Pluto upon acceptance;</li> <li>vii. Within the 21 day due diligence period Pluto provides confirmation of financing from Pluto's banking institution (TD Bank);</li> <li>viii. As of the acceptance date all pre-receivership accounts receivable shall be to the account of Pluto and all post-receivership accounts receivable shall be to the account of TD Bank; The pre-receivership accounts receivable to the account of Pluto shall be the balance of uncollected pre-receivership receivables due to the Receiver as of 5:00 PM ADT on the date of acceptance of this offer;</li> <li>ix. Upon acceptance the business will continue to be operated by BDO until Closing in a manner consistent with BDO's operation of the Business since</li> </ul> |

August 10<sup>th</sup>, 2017; and

x. BDO will provide Pluto with a duly executed GST Form 44 on Closing.

The above conditions are for the benefit of Pluto. If any condition has not been fulfilled prior to Closing or any condition becomes impossible to satisfy, other than as a result of Pluto's failure to comply with its obligations, Pluto may either (i) waive the condition or (ii) terminate the agreement (including this binding Offer) without liability, and the Deposit shall be returned to Pluto without interest.

XI. Acceptance of this offer is subject to the approval of the Supreme Court of Newfoundland and Labrador. 

The Offer is hereby acknowledged and agreed to this 5<sup>th</sup> September 2017. 

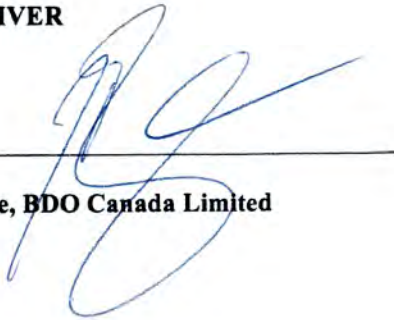
**PLUTO INVESTMENTS INC.**



Per: \_\_\_\_\_

**Paul Antle, President and CEO**

**THE RECEIVER**



Per: \_\_\_\_\_

**Jason Breeze, BDO Canada Limited**

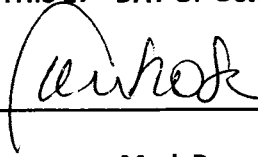


THIS IS EXHIBIT "G"  
TO THE AFFIDAVIT OF

Jason Breeze

SWORN TO BEFORE ME

THIS 17<sup>th</sup> DAY OF October, 2017

A handwritten signature in black ink, appearing to read "Mark Rosen", written over a horizontal line.

**Mark Rosen**  
A Notary Public in and for the  
Province of Nova Scotia

## RECEIVERS ASSET PURCHASE AGREEMENT

THIS AGREEMENT made as of the 10<sup>th</sup> day of October, 2017, between **AVALON ANALYTICS INC.** a corporation registered under the laws of the Province of Newfoundland and Labrador (the "**Purchaser**"), and **BDO CANADA LTD.**, in its capacity as Court Appointed Receiver of **PETROFORMA INC.**, a corporation incorporated under the laws of Newfoundland and Labrador (the "**Receiver**" or "**Vendor**").

WHEREAS the Vendor and Pluto Investments Inc. are party to a letter agreement for the purchase of all of the assets of the Company accepted September 6, 2017, which letter agreement was assigned by Pluto to the Purchaser herein.

NOW THEREFORE in consideration of the mutual agreements and covenants herein contained, the parties hereto hereby covenant and agree as follows:

### 1. Interpretation

1.1 **Defined terms.** In this Agreement, unless there is something in the subject-matter or context inconsistent therewith, the following terms and expressions will have the following meanings:

- (a) "Acceptance Date" means September 6, 2017;
- (b) "Agreement" means this agreement, including all Schedules, as it may be modified or amended in writing between the Parties;
- (c) "AR Adjustment" means the dollar amount of uncollected pre-receivership accounts receivable of the Company due to the Receiver as of 5:00pm ADT on the Acceptance Date, with an approximate value of \$140,000;
- (d) "Business" means the business carried on by the Vendor which primarily involves laboratory services for the oil and gas industry including the operation of a commercial chemical testing laboratory in Paradise, Newfoundland and Labrador;
- (e) "Business Day" means any day other than a day which is a Saturday, a Sunday or a statutory holiday in St. John's, Newfoundland and Labrador, Canada;
- (f) "Closing Date" means the business day immediately following the date the Supreme Court of Newfoundland and Labrador approves the sale of the assets as contemplated herein ("**Court Approval**"), or such other date as the Vendor and Purchaser may agree upon, it being acknowledged that the Vendor shall make an application for Court Approval within one (1) business day from the date hereof;
- (g) "Closing Time" means 12:00 noon on the Closing Date or such other time on the Closing Date as the parties hereto may agree upon;
- (h) "Company" means Petroforma Inc., a company incorporated under the laws of the Province of Newfoundland and Labrador;
- (i) "Date of Receivership" means July 14<sup>th</sup>, 2017;
- (i) "Encumbrances" means any mortgage, charge, pledge, security interest, lien, title retention agreement, or any other instrument charging or creating a security interest in the Purchased Assets;
- (j) "Excluded Assets" means those assets of the Business referred to in Section 2.2;
- (k) "Excluded Liabilities" has the meaning given in Section 2.3;

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- (l) "Generally Accepted Accounting Principles" means the accounting principles so described and promulgated by the Chartered Professional Accountants of Canada which are applicable as at the date on which any calculation made hereunder is to be effective or as at the date of any financial statements referred to herein, as the case may be;
- (m) "Interim Period" means the period from and including the date of this Agreement to and including the Closing Date;
- (n) "person" means and includes any individual, corporation, partnership, firm, joint venture, syndicate, association, trust, government, governmental agency or board or commission or authority, and any other form of entity or organization;
- (o) "Purchase Price" shall have the meaning ascribed to such term in section 2.4 hereof, which is the amount payable by the Purchaser to the Vendor for all of the Purchased Assets, as provided herein;
- (p) "Purchased Assets" means the undertaking and assets of the Business including those assets listed in Schedule "A", and all work in progress, which are to be sold or assigned (as applicable) by the Vendor to the Purchaser pursuant to Section 2.1;
- (q) "Warranty Claim" means a claim made by either the Purchaser or the Vendor based on or with respect to the inaccuracy or non-performance or non-fulfilment or breach of any representation, warranty or covenant made by the other party contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated hereby.

**1.2 Schedules.** Any Schedules which are attached to this Agreement are incorporated into this Agreement by reference and are deemed to be part hereof.

**1.3 Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are in lawful money of Canada.

**1.4 Choice of law and attornment.**

(1) This Agreement shall be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador and the laws of Canada applicable therein.

(2) The parties agree that the courts of Newfoundland and Labrador will have jurisdiction to determine all disputes and claims arising between the parties.

**1.5 Interpretation not affected by headings or party drafting.** The division of this Agreement into articles, sections, paragraphs, subparagraphs and clauses and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and the Schedules hereto and not to any particular article, section, paragraph, subparagraph, clause or other portion hereof and include any agreement or instrument supplementary or ancillary hereto. Each party hereto acknowledges that it and its legal counsel have reviewed and participated in settling the terms of this Agreement, and the parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the interpretation of this Agreement.

**1.6 Number and gender.** In this Agreement, unless there is something in the subject matter or context inconsistent therewith,

- (a) words in the singular number include the plural and such words shall be construed as if the plural had been used,
- (b) words in the plural include the singular and such words shall be construed as if the singular had been used, and
- (c) words importing the use of any gender shall include all genders where the context or party referred to so requires, and the rest of the sentence shall be construed as if the necessary grammatical and terminological changes had been made.

1.7 **Time of essence.** Time shall be of the essence hereof.

1.8 **Schedules.** The following are the schedules attached to and incorporated by reference in this Agreement;

Schedule "A" - List of Assets

## 2. Purchase and Sale

2.1 **Purchased Assets.** On the terms and subject to the fulfilment of the conditions hereof, the Vendor hereby agrees to sell, transfer and assign to the Purchaser, and the Purchaser hereby agrees to purchase and accept from the Vendor, the Purchased Assets on an "as is where is" basis with no warranty express or implied as to the condition or fitness thereof, except for the Excluded Assets. In addition, on the Closing Date, the Vendor shall assign to the Purchaser all customer contracts, supplier contracts, permits and licences associated with the Business. For clarity, the lease between the Company and 70346 Newfoundland and Labrador Inc. for 85 Bremigans Blvd., Paradise, NL is not being assigned to the Purchaser, nor is any employment agreement or employee obligation of the Company being assumed by the Purchaser.


2.2 **Excluded assets.** There shall be specifically excluded from the assets being purchased and sold hereunder, the following assets, properties, rights and interests of the Vendor related to the Business:

- (a) the pre- Receivership accounts receivable of the Company collected as of the Acceptance Date, and the post- Receivership accounts receivable generated by the Receiver, both collected and uncollected, from July 14th, 2017 onward to Closing. It is acknowledged by the parties that the Company will bill in the name of the Company all completed work existing as of the day immediately prior to the Closing Date and such accounts receivable shall be for the benefit of the Vendor. Should one of these invoices be inadvertently paid to the Purchaser by the applicable customer, the Purchaser agrees to forward such funds to the Vendor.

2.3 **Excluded Liabilities.** The Purchaser shall not assume, or otherwise be responsible for, any of the Vendor's or the Company's liabilities, claims or obligations, whether actual or contingent, matured or unmatured, liquidated or unliquidated, known or unknown, related or unrelated to the Business or the Purchased Assets, accruing prior to the Closing Time (collectively, the Excluded Liabilities"), which Excluded Liabilities are and shall remain the sole obligation of the Vendor.

2.4 **Purchase Price.** The price (the "**Purchase Price**") payable by the Purchaser to the Vendor for the Purchased Assets will be the sum of **\$700,000.00** plus applicable taxes less the AR Adjustment.

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**2.5 Payment of Purchase Price.** The Purchase Price will be paid and satisfied as follows:

- (a) Concurrently with the execution of this Agreement, the Purchaser will pay to Cox & Palmer, as solicitors for the Vendor, in trust, by certified cheque or bank draft, the sum of **\$35,000.00** (the "Deposit") as a deposit, to be dealt with as follows:
- (i) If the purchase and sale of the Purchased Assets is completed at the Closing Time, the Deposit will be released from trust and applied toward satisfaction of the Purchase Price.
  - (ii) If the purchase and sale of the Purchased Assets is not completed for any reason other than the failure of the Purchaser to satisfy any of the conditions set out in Section 6.3 which is within the reasonable control of the Purchaser, the Deposit plus all interest earned thereon will be released from trust and returned to the Purchaser. Subject to Section 2.5(a)(iii), if the purchase and sale of the Purchased Assets is not completed due to the failure of the Purchaser to satisfy any of the conditions set out in Section 6.3 which is within the reasonable control of the Purchaser, the Deposit plus all interest thereon will be released from trust and forfeited and paid to the Vendor.
  - (iii) If the purchase and sale of the Purchased Assets is not completed due to the failure of the Vendor to satisfy any of the conditions set out in Section 6.1 then the Deposit plus all interest thereon will be released from trust and paid to the Purchaser.
- (b) At the Closing Time, the Purchaser will satisfy a portion of the Purchase Price by payment in trust to the Vendor's solicitors, by certified cheque or bank draft, the sum of **\$665,000.00**, less the AR Adjustment plus (if applicable) the amount for taxes due pursuant to section 2.6 hereof.

**2.6 Payment of taxes.** Subject to Section 2.7 the Purchaser shall be liable for and shall pay all applicable federal and provincial sales taxes, land transfer taxes, goods and services taxes, excise taxes and all other taxes (other than income taxes of the Vendor), duties and other like charges properly payable on and in connection with the conveyance and transfer of the Purchased Assets to the Purchaser. The Vendor will do and cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligation in an efficient manner.

**2.7 HST Election.** The Vendor and the Purchaser shall elect jointly pursuant to the provisions of subsection 167(1) of the *Excise Tax Act* by completing and signing on Closing all prescribed forms and related documents in such manner as is prescribed, so that for the purpose of the *Excise Tax Act*, no HST is payable in respect of the purchase and sale of the Purchased Assets.

### **3. Representations and Warranties**

**3.1 Representations and warranties by the Vendor.** The Vendor warrants to the Purchaser as follows, and confirms that the Purchaser is relying upon the accuracy of each of such representations and warranties in connection with the purchase of the Purchased Assets and the completion of the other transactions hereunder:

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(1) *Authority and Binding Obligation.* The Vendor has good right, power and authority, as court appointed Receiver of the Company to enter into this agreement and to sell, assign and transfer the Purchased Assets to the Purchaser in the manner contemplated herein and to perform all of the Vendor's obligations under this agreement. This Agreement is a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with its terms.

**3.2 Representations and warranties by the Purchaser.** The Purchaser hereby represents and warrants to the Vendor and confirms that the Vendor is relying on the accuracy of each of such representations and warranties in connection with the sale of the Purchased Assets and the completion of the other transactions hereunder:

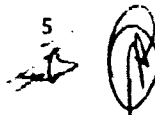
(1) *Corporate Authority and Binding Obligation.* The Purchaser is a corporation duly incorporated and validly subsisting in all respects under the laws of its jurisdiction of incorporation. The Purchaser has good right, full corporate power and absolute authority to enter into this Agreement and to purchase the Purchased Assets from the Vendor in the manner contemplated herein and to perform all of the Purchaser's obligations under this Agreement. The Purchaser and its shareholders and board of directors have taken all necessary or desirable actions, steps and corporate and other proceedings to approve or authorize, validly and effectively, the entering into of, and the execution, delivery and performance of, this Agreement and the purchase of the Purchased Assets by the Purchaser from the Vendor. This Agreement is a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.

(2) *Contractual and Regulatory Approvals.* The Purchaser is not under any obligation, contractual or otherwise to request or obtain the consent of any person, and no permits, licences, certifications, authorizations or approvals of, or notifications to, any federal, provincial, municipal or local government or governmental agency, board, commission or authority are required to be obtained by the Purchaser in connection with the execution, delivery or performance by the Purchaser of this agreement or the completion of any of the transactions contemplated herein.

(3) *Compliance with Constatng Documents, Agreements and Laws.* The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by the Purchaser, and the completion of the transactions contemplated hereby, will not constitute or result in a violation or breach of or default under:

- (a) any term or provision of any of the articles, by-laws or other constating documents of the Purchaser,
- (b) subject to obtaining the contractual consents referred to in Schedule 3.2(2) hereto, the terms of any indenture, agreement (written or oral), instrument or understanding or other obligation or restriction to which the Purchaser is a party or by which it is bound, or
- (c) subject to obtaining the regulatory consents referred to in Schedule 3.2(2) hereto, any term or provision of any licences, registrations or qualification of the Purchaser or any order of any court, governmental authority or regulatory body or any applicable law or regulation of any jurisdiction.

(4) *Investment Canada Act.* The Purchaser is not a "non-Canadian" for purposes of and within the meaning of the Investment Canada Act, R.S.C. 1985, c. 28 (1st Supp.).

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#### 4. Survival and Limitations of Representations and Warranties

**4.1 Survival of warranties by Purchaser.** The representations and warranties made by the Purchaser and contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated hereby shall survive the closing of the purchase and sale of the Purchased Assets provided for herein and, notwithstanding such closing or any investigation made by or on behalf of the Vendor or any other person, shall continue in full force and effect for the benefit of the Vendor for two (2) years following the Closing Date. At the end of this period, the Purchaser shall have no further obligations with respect to any representations or warranties made by the Purchaser in this Agreement.

**4.2 Survival of warranties by Vendor.** The representations and warranties made by the Vendor and contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated hereby shall survive the closing of the purchase and sale of the Purchased Assets provided for herein and, notwithstanding such closing or any investigation made by or on behalf of the Purchaser or any other person, shall continue in full force and effect for the benefit of the Purchaser for two (2) years following the Closing Date. At the end of this period, the Vendor shall have no further obligations with respect to any representations or warranties made by the Vendor in this Agreement.

#### 5. Covenants

**5.1 Covenants by the Vendor.** The Vendor will do or cause to be done the following:

(a) *Investigation of Business and Examination of Documents.* During the Interim Period, the Vendor will provide access to and will permit the Purchaser, through its representatives, to make such investigation of, the operations, properties, assets and records of the Business and of its financial and legal condition as the Purchaser deems necessary or advisable to familiarize itself with such operations, properties, assets, records and other matters.

(b) *Conduct of Business.* Except as contemplated by this Agreement or with the prior written consent of the Purchaser, during the Interim Period the Vendor will:

- (i) operate the Business; and
- (ii) take all reasonable action to preserve the Purchased Assets and the Business.

(c) *Transfer of Purchased Assets.* At or before the Closing Time, the Vendor will cause all necessary steps to be taken in order to permit the Purchased Assets to be duly and regularly transferred to the Purchaser.

(d) *Forms of Conveyance.* At the Closing Time, the Vendor will deliver to the Purchaser good and marketable title to and exclusive possession of the Purchased Assets, free and clear of any and all Encumbrances. At the Closing Time, the Vendor will execute and deliver to the Purchaser one or more forms of general conveyance, or bills of sale, deeds, transfers and other documents reasonably requested by the Purchaser in respect of the assignment, conveyance, transfer and delivery of the Purchased Assets to the Purchaser in form which is registrable and acceptable to the Purchaser.

(e) *Discharge of PPSA Registrations.* The Vendor will cause the PPSA registrations against the Company in favour of The Toronto-Dominion Bank (Registration No. 12670667), The Toronto-

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Dominion Bank and TD Equipment Finance Canada (Registration No. 12730271), The Toronto-Dominion Bank and TD Equipment Finance Canada (Registration No. 12768743) and The Toronto-Dominion Bank (Registration No. 14328264) to be discharged as part of the closing of this transaction<sup>1</sup>.

**5.2 Covenants by the Purchaser.** The Purchaser covenants to the Vendor that it will do or cause to be done the following:

- (a) *Confidentiality.* Prior to the Closing Time and, if the transaction contemplated hereby is not completed, at all times after the Closing Time, the Purchaser will keep confidential all information obtained by it relating to the Business, except such information which:
- (i) prior to the date hereof was already in the possession of the Purchaser, as demonstrated by written records,
  - (ii) is generally available to the public, other than as a result of a disclosure by the Purchaser, or
  - (iii) is made available to the Purchaser on a non-confidential basis from a source other than the Vendor or their representatives.

The Purchaser further agrees that such information will be disclosed only to those of its employees and representatives of its advisors who need to know such information for the purposes of evaluating and implementing the transaction contemplated hereby. Notwithstanding the foregoing provisions of this paragraph, the obligation to maintain the confidentiality of such information will not apply to the extent that disclosure of such information is required in connection with governmental or other applicable filings relating to the transactions hereunder, provided that, in such case, unless the Vendor otherwise agrees, the Purchaser will, if possible, request confidentiality in respect of such governmental or other filings. If the transactions contemplated hereby are not consummated for any reason, the Purchaser will return forthwith, without retaining any copies thereof, all information and documents obtained from the Vendor.

## 6. Conditions

**6.1 Conditions to the obligations of the Purchaser.** Notwithstanding anything herein contained, the obligation of the Purchaser to complete the transactions provided for herein will be subject to the fulfilment of the following conditions at or prior to the Closing Time:

- (a) *Accuracy of Representations and Warranties.* The representations and warranties of the Vendor contained in this Agreement or in any documents delivered in order to carry out the transactions contemplated hereby shall be true and accurate on the date hereof and at the Closing Time with the same force and effect as though such representations and warranties had been made as of the Closing Time (regardless of the date as of which the information in this Agreement or in any Schedule or other document made pursuant hereto is given) In addition, the Vendor shall have delivered to the Purchaser a certificate confirming that the facts with respect to each of the representations and warranties of the Vendor are as set out herein at the Closing Time and that the Vendor has performed each of the covenants required to be performed by it hereunder;

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<sup>1</sup> This clause is acceptable subject to the Receiver confirming the releases cover only the TD Equipment and not motor vehicles;

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- (b) **Performance of Covenants.** All of the obligations, covenants and agreements to be complied with or performed by the Vendor pursuant to this Agreement on or before the Closing Date shall have been complied with or performed by the Vendor on or before the Closing Date, and the certificate of the Vendor delivered at the Closing Time shall so state. This shall include, but not be limited to, the payment by the Vendor of post receivership payroll, vacation pay and expense claims owing to the employees of the Business, which the Vendor hereby agrees to so do.
- (c) **No Restraining Proceedings.** No order, decision or ruling of any court, tribunal or regulatory authority having jurisdiction shall have been made, and no action or proceeding shall be pending, in the opinion of counsel to the Purchaser, is likely to result in an order, decision or ruling to disallow, enjoin, prohibit or impose any limitations or conditions on the purchase and sale of the Purchased Assets contemplated hereby or the right of the Purchaser to own the Purchased Assets;
- (d) **Consents.** All consents required to be obtained in order to carry out the transactions contemplated hereby in compliance with all laws and agreements binding on the parties hereto shall have been obtained, including but not limited to the approval of the Supreme Court of Newfoundland and Labrador for BDO to sell the assets of the Company in its capacity as Receiver;
- (e) All assets of the Company located 85 Bremigan Blvd, Paradise as of the Acceptance Date are included in the Purchased Assets;
- (f) The Purchased Assets are free and clear of all Encumbrances;
- (g) All municipal tax liabilities of the Company associated with 85 Bremigan Blvd, Paradise are up to date or removed as part of the Court approval of this purchase and sale transaction;
- (h) All documentation held by the Vendor related to laboratory equipment is made available to the Purchaser; and
- (i) The Business has been operated by the Vendor from the Acceptance Date to the Closing Date in a manner consistent with the Vendor's operation of the Business since August 10, 2017

**6.2 Waiver or termination by Purchaser.** The conditions contained in Section 6.1 are inserted for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser at any time. The Vendor acknowledges that the waiver by the Purchaser of any condition or any part of any condition shall constitute a waiver only of such condition or such part of such condition, as the case may be, and shall not constitute a waiver of any covenant, agreement, representation or warranty made by the Vendor that corresponds or is related to such condition or such part of such condition, as the case may be. If any of the conditions contained in Section 6.1 are not fulfilled or complied with as herein provided, the Purchaser may, at or prior to the Closing Time at its option, rescind this Agreement by notice in writing to the Vendor and in such event the Purchaser shall be released from all obligations hereunder and, unless the condition or conditions which have not been

fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by the Vendor, then the shall also be released from all obligations hereunder.

**6.3 Conditions to the obligations of the Vendor.** Notwithstanding anything herein contained, the obligations of the Vendor to complete the transactions provided for herein will be subject to the fulfilment of the following conditions at or prior to the Closing Time:

- (a) *Accuracy of Representations and Warranties and Performance of Covenants.* The representations and warranties of the Purchaser contained in this agreement or in any documents delivered in order to carry out the transactions contemplated hereby will be true and accurate on the date hereof and at the Closing Time with the same force and effect as though such representations and warranties had been made as of the Closing Time (regardless of the date as of which the information in this agreement or any such Schedule or other document made pursuant hereto is given). In addition, the Purchaser shall have complied with all covenants and agreements herein agreed to be performed or caused to be performed by it at or prior to the Closing Time. In addition, the Purchaser shall have delivered to the Vendor a certificate confirming that the facts with respect to each of the representations and warranties of the Purchaser are as set out herein at the Closing Time and that the Purchaser has performed each of the covenants required to be performed by it hereunder.
- (b) *No Restraining Proceedings.* No order, decision or ruling of any court, tribunal or regulatory authority having jurisdiction shall have been made, and no action or proceeding shall be pending or threatened which, in the opinion of counsel to the Vendor, is likely to result in an order, decision or ruling, to disallow, enjoin or prohibit the purchase and sale of the Purchased Assets contemplated hereby.
- (c) *Consents.* All consents required to be obtained in order to carry out the transactions contemplated hereby in compliance with all laws and agreements binding upon the parties hereto shall have been obtained.
- (d) *Release.* The Vendor shall have received a full and final release of any and all claims the Purchaser has, or could have, whether arising prior to or after Closing, but excepting all such claims arising as a result of this Agreement (including, without limiting the generality of the foregoing, such claims arising from the covenants, representations and warranties of the Vendor as contained herein or in any document delivered by the Vendor pursuant to this Agreement), in a form satisfactory to the Vendor, acting reasonably.

**6.4 Waiver or termination by Vendor.** The conditions contained in Section 6.3 are inserted for the exclusive benefit of the Vendor and may be waived in whole or in part by the Vendor at any time. The Purchaser acknowledges that the waiver by the Vendor of any condition or any part of any condition shall constitute a waiver only of such condition or such part of such condition, as the case may be, and shall not constitute a waiver of any covenant, agreement, representation or warranty made by the Purchaser herein that corresponds or is related to such condition or such part of such condition, as the case may be. If any of the conditions contained in Section 6.3 are not fulfilled or complied with as herein provided, the Vendor may, at or prior to the Closing Time at its option, rescind this Agreement by notice in writing to the Purchaser and in such event the Vendor shall be released from all obligations hereunder and, unless the condition or conditions which have not been

fulfilled are reasonably capable of being fulfilled or caused to be fulfilled by the Purchaser, then the Purchaser shall also be released from all obligations hereunder.

## **7. Closing**

**7.1 Closing arrangements.** Subject to the terms and conditions hereof, the transactions contemplated herein shall be closed at the Closing Time at the offices of **Cox & Palmer at Suite 1100, 235 Water Street, St. John's, Newfoundland and Labrador**, or at such other place or places as may be mutually agreed on by the Vendor and the Purchaser.

**7.2 Documents to be delivered.** At or before the Closing Time, the Vendor shall execute, or cause to be executed, and shall deliver, or cause to be delivered, to the Purchaser all documents, instruments and things which are to be delivered by the Vendor pursuant to the provisions of this agreement, including a bill of sale for the Purchased Assets, and the Purchaser shall execute, or cause to be executed, and shall deliver, or cause to be delivered, to the Vendor all cheques or bank drafts and all documents, instruments and things which the Purchaser is to deliver or to cause to be delivered pursuant to the provisions of this agreement.

## **9. General Provisions**

### **9.1 Notices.**

(1) Any notice, designation, communication, request, demand or other document, required or permitted to be given or sent or delivered hereunder to any party hereto shall be in writing and shall be sufficiently given or sent or delivered if it is:

- (a) delivered personally to an officer or director of such party,
- (b) sent to the party entitled to receive it by registered mail, postage prepaid, mailed in Canada, or
- (c) sent by facsimile transmission.

(2) Notices shall be sent to the following addresses or facsimile numbers:

- (a) in the case of the Vendor,  
BDO Canada Ltd.,  
In its capacity as Receiver for Petroforma Inc.  
255 Lacewood Drive, Suite 201  
Halifax, NS B3M 4G2  
Facsimile:  
Attention: Jason Breeze  
With a copy to (which shall not constitute notice):  
Cox & Palmer  
Suite 1100, 235 Water Street  
St. John's, Newfoundland and Labrador,  
A1C 5N8  
Facsimile: 709 738 6994  
Attention: Darren D. O'Keefe, Partner

(b) in the case of the Purchaser,  
Avalon Analytics Inc.  
137 LeMarchant Road  
St. John's, NL A1C 2H3  
Facsimile: 709 726-7012  
Attention: Paul Antle

or to such other address or facsimile number as the party entitled to or receiving such notice, designation, communication, request, demand or other document shall, by a notice given in accordance with this section, have communicated to the party giving or sending or delivering such notice, designation, communication, request, demand or other document.

(3) Any notice, designation, communication, request, demand or other document given or sent or delivered as aforesaid shall:

- (a) if delivered as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery;
- (b) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received (but not actually received) on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mails, allowing for such discontinuance or interruption of regular postal service; and
- (c) if sent by facsimile transmission, be deemed to have been given, sent, delivered and received on the date sent if such transmission is successful.

**9.2 Counterparts.** This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

**9.3 Expenses of parties.** Each of the parties hereto shall bear all expenses incurred by it in connection with this agreement including, without limitation, the charges of their respective counsel, accountants, financial advisors and finders.

**9.4 Announcements.** No announcement with respect to this Agreement will be made by any party hereto without the prior approval of the other parties.. The foregoing will not apply to any announcement by any party required in order to comply with laws pertaining to timely disclosure, provided that such party consults with the other parties before making any such announcement.

**9.5 Successors and Assigns.** This Agreement shall be binding on and enure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein, express or implied, is intended to confer on any person, other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this agreement.

**9.6 Entire Agreement.** This Agreement and the Schedules referred to herein constitute the entire agreement between the parties hereto and supersede all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject-matter hereof. None of the parties hereto shall be bound or charged with any oral or written agreements, representations, warranties, statements,



promises, information, arrangements or understandings not specifically set forth in this agreement or in the Schedules, documents and instruments to be delivered on or before the Closing Date pursuant to this Agreement. The parties hereto further acknowledge and agree that, in entering into this Agreement and in delivering the Schedules, documents and instruments to be delivered on or before the Closing Date, they have not in any way relied, and will not in any way rely, on any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth in this Agreement or in such Schedules, documents or instruments.

**9.7 Waiver.** Any party hereto which is entitled to the benefits of this Agreement may, and has the right to, waive any term or condition hereof at any time on or prior to the Closing Time; provided, however, that such waiver shall be evidenced by written instrument duly executed on behalf of such party.

**9.8 Amendments.** No modification or amendment to this Agreement may be made unless agreed to by the parties hereto in writing.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement under seal as of the day and year first above written.

[Remainder of this page intentionally left blank, signature page follows]





[Signature page to asset purchase agreement, BDO Canada Ltd. in its capacity as Receiver of Petroforma Inc.]

**SIGNED SEALED AND DELIVERED**  
in the presence of:



**BDO CANADA LTD.**  
in its capacity as Receiver of Petroforma Inc.

Per: \_\_\_\_\_  
(Authorized Signatory)

**SIGNED SEALED AND DELIVERED**  
in the presence of:



**AVALON ANALYTICS INC.**

Per: \_\_\_\_\_  
(Authorized Signatory)

Signatory)

Schedule "A"  
Purchased Assets - List Attached

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Petroforma Inc. - Assets

| Description  | Qty |
|--|-----|
| Elga Purelab Option DR015XXM1 Reverse Osmosis System                       | 1   |
| 4 Wheel Plastic Cart   | 18  |
| Metrohm 881 Compact IC Pro Chromatograph With                              | 1   |
| Metrohm 886 Professional Detector  | 1   |
| Agilent Gas Chromatograph Auto Sampler 6850                                | 1   |
| Agilent 7890A GC Series 0-1 With Analytical Detector Control               | 1   |
| Agilent 200 Series AA Atomic Absorption                                    | 1   |
| Agilent SPS 3 Auto Sampler   | 1   |
| Thermo Scientific 1CAP QIC/Quadrupole ICP-MS Spectrometer                  | 1   |
| Folding Table 4 Ft   | 1   |
| Catac Auto Sampler   | 1   |
| Stainless Steel Table 3ft x 30in   | 2   |
| Mandel Scientific Total Organic Carbon Analyser TDC-5000A<br>Ser#34501048A | 1   |
| Introsam MK6S Dual Detector System   | 1   |
| NIKKO Incubator  | 1   |
| Fisher Scientific Isotemp Oven (Incubator) DV700G Ser#2148100353530        | 1   |
| Wilkers-Andersen Separator   | 1   |
| Thermo Scientific Omarec Stirring Hotplate                                 | 1   |
| Mart Scientific Fluke 1529 Chub E4 Thermometer Ser#A73470                  | 1   |
| Barnstead Thermolyne Max Mix Speed Control Type 37600                      | 1   |
| Koehler Inst. Co Utility Heater 60 HZ 1000W                                | 1   |
| Thermo Scientific Neslab RTE-7 Recirculating Water Bath                    | 1   |
| Microbics Toxicity Analyser M500 Ser#5001063                               | 1   |
| Fisher Scientific Isotemp Oven (Incubator) 750F Ser#60800152               | 1   |
| Mettler Toledo AG285 Ser#1119382026  | 1   |
| Sartorius Top Loading Balance LA1200S Ser#179095806                        | 1   |
| HACH DR 3900 Spectrophotometer Ser#1630608                                 | 1   |
| HACH DRB200 Reactor Ser# 15080C0203  | 1   |
| HACH DRB201 Reactor Ser#16120C0386   | 1   |
| Fisher Scientific AB40 Oxygen Meter  | 1   |
| HACH 2100Q Turbidity Meter   | 1   |
| Corning Magnetic Stirrer PC-353  | 1   |
| Symphony 5880PC PH Meter   | 1   |
| Fisher Scientific Accumet XL25 Meter                                       | 1   |
| Fisher Scientific 120S Stirrer   | 1   |
| Fisher Scientific Isotemp Incubator 3720 Ser#3720A/3720                    | 1   |
| Fume Hood 6ft  | 1   |
| Fisher Scientific F560D  | 1   |
| Gast Vacuum Pump DAA-V715-EB   | 1   |
| Chandler Engineering 3000GL PVT System Ser#6583 With                       | 1   |
| Quixa Pump Q6620-174-H-ES-1 & Accessories                                  | 1   |
| Chandler Engineering 3000GL PVT System Ser#6574 With                       | 1   |
| Chandler Engineering Quixa Pump Q6620-174-H-ES-1                           | 1   |
| Thermolyne F6000 Furnace Ser#40800929                                      | 1   |
| Chandler Engineering Gasometer 2331B                                       | 1   |
| Chandler Equipment Flash Separator   | 1   |
| Home Made Shaking Device   | 1   |
| Heise 10,000 PSI Digital Pressure Indicator 901A Ser#S9-3137B              | 1   |
| Chandler Scientific Hand Pump With Read Out                                | 1   |
| Leather & Metal Stools   | 9   |
| Anton Paar DMA Density Meter Hand Held                                     | 1   |
| Fisher Isotemp Fridge 50FREEFSA Ser#511N0016                               | 1   |
| Danby 4ft Domestic Freezer   | 4   |
| Habco Double Door Cooler   | 1   |
| Habco Double Door Cooler   | 1   |
| Flammable Double Door Storage Cabinet 5ft x 3ft                            | 1   |
| Acid Storage Cabinet   | 1   |
| Portable Compressor  | 1   |
| Thermo Scientific Thermo Flex 2500 Chiller                                 | 1   |

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|--|----|
| Type 5 Piston Sample Cylinder 700CC Volumetric Capacity With Certification & Sample Cylinder Transit Box | 44 |
| 20L Gas Sample Cylinder With Certification & Sample Cylinder Transit Box                                 | 11 |
| VWR Scientific Recirculator Chiller 1172 Ser#600136  | 1  |
|  |    |
| Insulated Heavy Plastic Wharf Box 2,000 lb Capacity  | 7  |
| Mini Spit Heat Pump  | 2  |
| Custom Made Stainless Steel Cooling Tank   | 4  |
| Cole Parmer Diaphragm Pump   | 1  |
| Shark PH Meter   | 1  |
| Aquafine UV Disinfection Unit  | 1  |
| Hydraulic Lift Table   | 1  |
| The Pump 40  | 1  |
| Fisher Scientific AR 25 Dual Channel PH/Ion Meter  | 1  |
| Fisher Scientific XI 600   | 1  |
| Fisher Scientific AR 25 Dual Channel PH/Ion Meter  | 1  |
| Fisher Scientific Stir Plate 120S  | 1  |
| Pump 20  | 1  |
| Nikon Microscope SMZ -18   | 1  |
| Milton Roy Spectronic 200  | 1  |
|  |    |
| True Double Door Cooler  | 1  |
| True Double Door Cooler  | 1  |
| Fume Hood 6ft  | 1  |
| New Brunswick Scientific Autoclave   | 1  |
| Corning DC-101 Hot Plate Stirrer   | 1  |
| Sartorius Top Loading Balance LA1200S Ser#179095806  | 1  |
| STM-EL Steam Sterilizer Autoclave  | 1  |
| STM-EL Steam Sterilizer Autoclave  | 1  |
| STM-EL Steam Sterilizer Autoclave (Not Working)  | 1  |
| Hobart Dishwasher  | 1  |
| 3 Pot Stainless Steel Sink With Spray Wand   | 2  |
| General Tech Service Waterbath 148007 Ser#70900763   | 1  |
| Precision Water Bath   | 1  |
| Precision Water Bath Coliform 253 Ser#601101231  | 1  |
| Fisher Scientific Water Bath Coliform 253 Ser#604071566  | 1  |
| Thermo Water Bath 2862 Ser#200049-22   | 1  |
| Precision Water Bath Coliform 253 Ser#698040441  | 1  |
| Precision Water Bath Circulating 260 Ser#696101547   | 1  |
| Precision Water Bath Circulating 260 Ser#603091207   | 1  |
| Fisher Scientific isotemp 228 Ser#906N0118   | 1  |
| Fisher Scientific Isotemp 228 Ser#011N0283   | 1  |
| Fisher Scientific Isotemp incubator 6500 Ser#50600242  | 1  |
| Fisher Scientific Isotemp incubator 6500 Ser#507N0190  | 1  |
| Fisher Scientific Isotemp incubator 6500 Ser#60900262  | 1  |
| Fisher Scientific Isotemp incubator 6500 Ser#104N0145  | 1  |
| Fisher Scientific Isotemp incubator 6500 Ser#205N0129  | 1  |
| Fisher Scientific isotemp incubator 6500 Ser#904N0114  | 1  |
| Fisher Scientific Isotemp incubator 6500 Ser#103N0125  | 1  |
| Fisher Scientific Isotemp 228 Water Bath Ser#1608080829458   | 1  |
| Deep Freeze Domestic   | 1  |
| Leica Colony Counter   | 1  |
| Boetel Oven Model 131400 Ser#1264  | 1  |
| Boetel Oven Model 132000 Ser#01230-25  | 1  |
| Micromaster Telescope Model CK   | 1  |
| New Brunswick Scientific Pourmatic MP-1000   | 1  |
| Thermo Scientific Water Bath WB1140A-1 Ser#X06U-522590-XU  | 1  |
| Thermo Scientific Water Bath WB1140A-1 Ser#NBV-523106-NV   | 1  |
| Vidas - Biomessieu Salmonella & Food Pathagem Detecting Test System                                      | 1  |

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|--|---|
| Precision Waterbath Colliform 253 Ser#604061863          | 1 |
| Fisher Scientific Incubator 6500 Ser#507ND189            | 1 |
| Fisher Scientific Incubator 6500 Ser#401ND029            | 1 |
| Fisher Scientific Incubator 6845 Ser#275404-368          | 1 |
| Forma Scientific Class 11 A/BC Biological Safety Cabinet | 1 |
| Domestic Fridge  | 1 |
| Domestic Fridge  | 1 |
| Gen Tech Ser. Isotemp 210 Ser#70900763                   | 1 |
| Sartorius Praxium 612-15 Ser#0029506832                  | 1 |
| Stomacher Lab Blender 400 BA6021 Ser#14006               | 1 |
| Stomacher Lab Blender 400 BA6021 Ser#172911              | 1 |
| Domestic Microwave Oven                                  | 1 |
| Fisher Scientific Isotemp 228 Water Bath                 | 1 |

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|--|---------|
| 44in Wood Veneer Octagon Table   | 2       |
| White Leather Office Chair On Casters  | 8       |
| 4ft Wood Veneer Folding Table  | 1       |
| Dell Laptop  | 5       |
| 17in LCD Monitor   | 2       |
| Hp P2035N Printer laser Jet Printer  | 2       |
| White Leather Managers Chair   | 3       |
| 4ft x 2ft White Wood Veneer 3 Drawer Desk  | 2       |
| Lateral 4 Drawer File Cabinet  | 2       |
| 5 Drawer Lateral File Cabinet  | 9       |
| Metal Coat Tree  | 1       |
| Canon Image Class MF4770N Printer  | 1       |
| 7ft x 7ft Reception/Work Station Wood Veneer   | 1       |
| PC With Monitor  | 7       |
| Metal Padded Reception Chair   | 17      |
| 3 Drawer Wood Veneer Desk & Hutch 5.5ft x 4ft  | 1       |
| 4ft x 2ft Lift Electric Raising Table  | 1       |
| Metal Coat Tree  | 1       |
| Pan Shelving In Lots   | 1       |
| 4 Drawer Legal File Cabinet  | 3       |
| Server   | 1       |
| APC Smart Ups 1500 Back Up   | 1       |
| APC Smart Ups 750 Back Up  | 1       |
| TP Link Jet Stream Managed POE Switch  | 1       |
| Dell Power Connect 2724  | 1       |
| Belden 48 Port Switch  | 1       |
| Hp Color Laser Jet 3600N Printer   | 1       |
| Mop & Bucket   | 1       |
| Shop Vacuum  | 1       |
| Cubicles With Components (Desks, Hutch/Storage Area  | 10      |
| Aastra 6731i Phone   | 15      |
| Hp Laser Jet P2035N Printer  | 1       |
| Xerox Work Centre 7775 With Sorter Photo Copier  | 1       |
| Fold Up Chairs   | 8       |
| Wood Padded Reception Chair  | 4       |
| Enclosed White Board   | 1       |
| Board Room Table 9.5ft x 3.5ft   | 1       |
| Fridge   | 1       |
| Microwave Oven   | 1       |
| Keurig Coffee Dispenser  | 2       |
| Toaster Oven   | 2       |
| Toaster  | 1       |
| Step Up  | 1       |
| Panasonic KK-TPA60 Cordless Phone  | 2       |
| 6ft x 3ft Wood Veneer Book Case  | 13      |
| Accounts Receivable, other than the Excluded Assets as defined in Section 1.1 of the Receiver's Asset Purchase Agreement | Various |

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