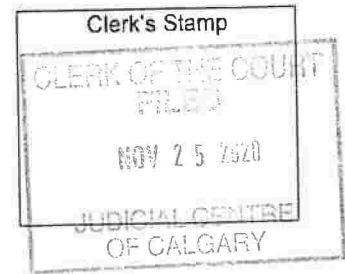


COURT FILE NUMBER 2001- 14421
 COURT COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 PLAINTIFF TORONTO-DOMINION BANK
 DEFENDANTS THE GENERATION CORPORATION, ELLIS FABRICATIONS INC., GENERATION CONSTRUCTION CORP., GENERATION STEEL INC., GROUNDWORKS SAFETY SYSTEMS INC., JAMES FOLEY and DANIELLE FOLEY



DOCUMENT AFFIDAVIT

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING DOCUMENT
 MLT AIKINS LLP
 Barristers and Solicitors
 2100, 222 3rd Ave SW
 Calgary, Alberta T2P 0B4
 Phone: 403.693.4347/4311
 Fax: 403.508.4349
 Attention: Catrina J. Webster/Kaitlin Ward
 File: 0000152.03081

Volume 1 of 3
AFFIDAVIT OF EMILY STILL
SWORN NOVEMBER 24, 2020

I, **Emily Still**, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY:

- I am an Account Manager in the Financial Restructuring Group with the Plaintiff, the Toronto-Dominion Bank ("**TD Bank**"), and as such, I have personal knowledge of the facts and matters deposed to herein, except where facts and matters are stated to be from other sources, in which case I believe those facts and matters to be true.

Purpose of this Affidavit

- I am swearing this Affidavit in support of an application by TD Bank for an Order, among other things, appointing KPMG Inc. ("**KPMG**") as receiver and manager of the current and future assets and undertakings and properties, including all proceeds thereof (collectively, the "**Property**") of the Generation Corporation ("**Generation Corporation**"), Ellis

Fabrications Inc. ("**Ellis Fabrications**"), Generation Construction Corp. ("**Generation Construction**"), Generation Steel Inc. ("**Generation Steel**"), and Groundworks Safety Systems Inc. ("**Groundworks**").

3. TD Bank, a senior secured creditor of the Generation Corporation and Ellis Fabrications (collectively, the "**Borrowers**"), is seeking a Receivership Order resulting from the outstanding indebtedness owing from the Borrowers pursuant to loans made by TD Bank to the Borrowers.
4. To the best of my knowledge, the Borrowers, Generation Corporation and Ellis Fabrications, are corporations incorporated pursuant to the laws of Alberta. James Foley and Danielle Foley are the sole directors and shareholders of the Borrowers.
5. Attached hereto and marked as **Exhibits "1"** and **"2"** are copies of Alberta Corporate Registry Searches for Generation Corporation and Ellis Fabrications, respectively.
6. To the best of my knowledge, Generation Construction is a corporation incorporated pursuant to the laws of Alberta and a guarantor of the indebtedness of Generation Corporation and Ellis Fabrications. James Foley and Danielle Foley are the directors of Generation Construction, and Ellis Fabrications is the 100% voting shareholder of Generation Construction. Attached hereto and marked as **Exhibit "3"** is a copy of an Alberta Corporate Registry Search for Generation Construction.
7. To the best of my knowledge, Generation Steel is a corporation incorporated pursuant to the laws of Alberta and a guarantor of the indebtedness of Generation Corporation and Ellis Fabrications. James Foley is the sole director of Generation Steel, and Generation Corporation is the 100% voting shareholder. Attached hereto and marked as **Exhibit "4"** is a copy of an Alberta Corporate Registry Search for Generation Steel.
8. To the best of my knowledge, Groundworks is a corporation incorporated pursuant to the laws of Alberta and a guarantor of the indebtedness of Generation Corporation and Ellis Fabrications. James Foley is the sole director of Generation Steel, and Generation Corporation is the 100% voting shareholder. Attached hereto and marked as **Exhibit "5"** is a copy of an Alberta Corporate Registry Search for Groundworks.

9. To the best of my knowledge, the Defendants, James Foley and Danielle Foley, are individuals who normally reside in the Town of Innisfail, in the Province of Alberta.

Loan Agreements

10. TD Bank and Generation Corporation entered into a Loan Agreement (the "**Generation Corporation Loan Agreement**") dated December 24, 2018 and executed by Generation Corporation on December 28, 2018, whereby TD Bank agreed to advance funds to the Generation Corporation on certain terms and conditions agreed to by the Generation Corporation. Attached hereto and marked as **Exhibit "6"** is a copy of the Generation Corporation Loan Agreement.
11. TD Bank and Ellis Fabrications entered into: (i) a Loan Agreement dated December 27, 2018 and executed by Ellis Fabrications on December 28, 2018; and (ii) a TD Bank Business Credit Card Agreement executed by Ellis Fabrications on January 24, 2019 (collectively, the "**Ellis Fabrications Loan Agreements**"), whereby TD Bank agreed to advance funds to Ellis Fabrications on certain terms and conditions agreed to by Ellis Fabrications. Attached hereto and collectively marked as **Exhibit "7"** is a copy of the Ellis Fabrications Loan Agreements.
12. In accordance with the Generation Corporation Loan Agreement and Ellis Fabrications Loan Agreements (collectively, the "**Loan Agreements**"), TD Bank made the following credit facilities available to the Generation Corporation and Ellis Fabrications:
- a. a demand loan issued to Generation Corporation;
 - b. an operating loan issued to Ellis Fabrications; and
 - c. a TD Business Credit Card facility for Ellis Fabrications
(collectively, the "**Credit Facilities**").
13. TD Bank advanced monies under the Credit Facilities to the Generation Corporation and Ellis Fabrications.
14. As of November 23, 2020, the Generation Corporation and Ellis Fabrications are collectively indebted to TD Bank in respect of amounts advanced under the Credit

Facilities and pursuant to the Loan Agreements in the total amount of \$5,740,670.60 (collectively, the "**Outstanding Indebtedness**").

15. The Outstanding Indebtedness is calculated as follows:

Generation Corporation				
Loan	Balance	Interest to close	Monthly Fees	Total
Demand Loan	\$5,303,890.98	\$4,621.80	-	\$5,308,512.78
Ellis Fabrication				
Operating Loan	\$407,778.42	\$955.20	\$375.00	\$409,108.62
Visa	\$23,049.20	-	-	\$23,049.20
TOTAL				\$5,740,670.60

16. Attached hereto and marked as **Exhibit "8"** is a payout statement provided by TD Bank confirming the amount of the Outstanding Indebtedness owing to TD Bank pursuant to the Loan Agreements as of November 23, 2020.

Guarantees

Guarantees for the Indebtedness of the Generation Corporation

17. As security for all amounts owing by Generation Corporation to TD Bank, the following guarantees were granted by Ellis Fabrications, Generation Construction, Generation Steel, Groundworks, James Foley and Danielle Foley:
- a. a Guarantee executed January 8, 2019 by Ellis Fabrications in favour of TD Bank regarding the indebtedness of Generation Corporation in an unlimited amount, plus interest payable from the date of demand;
 - b. a Guarantee executed January 8, 2019 by Generation Construction in favour of TD Bank regarding the indebtedness of Generation Corporation in an unlimited amount, plus interest payable from the date of demand;

- c. a Guarantee executed January 8, 2019 by Generation Steel in favour of TD Bank regarding the indebtedness of Generation Corporation in an unlimited amount, plus interest payable from the date of demand;
- d. a Guarantee executed January 8, 2019 by Groundworks in favour of TD Bank regarding the indebtedness of Generation Corporation in an unlimited amount, plus interest payable from the date of demand;
- e. a Guarantee executed January 8, 2019 by James Foley in favour of TD Bank regarding the indebtedness of Generation Corporation in an unlimited amount, plus interest payable from the date of demand; and
- f. a Guarantee executed January 8, 2019 by Danielle Foley in favour of TD Bank regarding the indebtedness of Generation Corporation in an unlimited amount, plus interest payable from the date of demand

(collectively, the "**Generation Corporation Guarantees**").

18. Attached hereto and marked as **Exhibits "9"** to **"14"** are copies of the Generation Corporation Guarantees.

Guarantees for the Indebtedness of the Ellis Fabrications

19. As security for all amounts owing by Ellis Fabrications to TD Bank, the following guarantees were granted by Generation Corporation, Generation Construction, Generation Steel, Groundworks, James Foley and Danielle Foley:
- a. a Guarantee executed January 8, 2019 by Generation Corporation in favour of TD Bank regarding the indebtedness of Ellis Fabrications in an unlimited amount, plus interest payable from the date of demand;
 - b. a Guarantee executed January 8, 2019 by Generation Construction in favour of TD Bank regarding the indebtedness of Ellis Fabrications in an unlimited amount, plus interest payable from the date of demand;

- c. a Guarantee executed January 8, 2019 by Generation Steel in favour of TD Bank regarding the indebtedness of Ellis Fabrications in an unlimited amount, plus interest payable from the date of demand;
- d. a Guarantee executed January 8, 2019 by Groundworks in favour of TD Bank regarding the indebtedness of Ellis Fabrications in an unlimited amount, plus interest payable from the date of demand;
- e. a Guarantee executed January 8, 2019 by James Foley in favour of TD Bank regarding the indebtedness of Ellis Fabrications in an unlimited amount, plus interest payable from the date of demand; and
- f. a Guarantee executed January 8, 2019 by Danielle Foley in favour of TD Bank regarding the indebtedness of Ellis Fabrications in an unlimited amount, plus interest payable from the date of demand

(collectively, the "**Ellis Fabrications Guarantees**", and together with the Generation Corporation Guarantees, the "**Guarantees**").

20. Attached hereto and marked as **Exhibits "15" to "20"** are copies of the Ellis Fabrications Guarantees.

The General Security Agreements

21. As security for all amounts owing from the Generation Corporation to TD Bank pursuant to the Loan Agreement and the Guarantees, Generation Corporation, Ellis Fabrications, Generation Construction, Generation Steel and Groundworks entered into the following General Security Agreements in favour of TD Bank (collectively, the "**GSAs**"):
- a. a General Security Agreement executed January 8, 2019 by Generation Corporation in favour of TD Bank and granting TD Bank a security interest in all present and after-acquired personal property of Generation Corporation and all proceeds thereof;

- b. a General Security Agreement executed January 8, 2019 by Ellis Fabrications in favour of TD Bank and granting TD Bank a security interest in all present and after-acquired personal property of Ellis Fabrications and all proceeds thereof;
 - c. a General Security Agreement executed January 8, 2019 by Generation Construction in favour of TD Bank and granting TD Bank a security interest in all present and after-acquired personal property of Generation Construction and all proceeds thereof;
 - d. a General Security Agreement executed January 8, 2019 by Generation Steel in favour of TD Bank and granting TD Bank a security interest in all present and after-acquired personal property of Generation Steel and all proceeds thereof; and
 - e. a General Security Agreement executed January 8, 2019 by Groundworks Safety Systems in favour of TD Bank and granting TD Bank a security interest in all present and after-acquired personal property of Groundworks and all proceeds thereof.
22. Attached hereto and marked as **Exhibits "21"** to **"25"** are copies of the GSAs.
23. TD Bank registered the GSAs at the Alberta Personal Property Registry against Generation Corporation, Ellis Fabrications, Generation Construction, Generation Steel and Groundworks. Attached hereto and marked as **Exhibits "26"** to **"30"** are copies of the results of a name search of the Generation Corporation, Ellis Fabrications, Generation Construction, Generation Steel and Groundworks at the Alberta Personal Property Registry evidencing TD Bank's registrations.

The Collateral Mortgage Property

24. As further security for all amounts owing from the Generation Corporation to TD Bank, on January 8, 2019, Generation Corporation granted TD Bank a Collateral Mortgage in the

principal sum of \$6,412,500.00 (the "**Collateral Mortgage**") regarding the property legally described as:

PLAN 8023047
BLOCK 2
LOT 2A
EXCEPTING THEREOUT ALL MINES AND MINERALS

and

PLAN 7722535
BLOCK 2
LOT 3
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**Mortgaged Property**").

25. Attached hereto as **Exhibit "31"** is a copy of the Collateral Mortgage.
26. On January 18, 2019, the Collateral Mortgage was registered against the Mortgaged Property under registration number 192 015 251. Attached hereto and collectively marked as **Exhibit "32"** are Certificates of Title for the Mortgaged Property.
27. As further security for all amounts owing from the Generation Corporation to TD Bank, on January 8, 2019, Generation Corporation granted TD Bank a general assignment of rents and leases (the "**Assignment of Rents and Leases**") respecting the Mortgaged Property. Attached hereto as **Exhibit "33"** is a copy of the Assignment of Rents and Leases.

Default Under the Loan Agreement and Demand for Payment

28. Generation Corporation and Ellis Fabrications failed to comply with the financial covenants and failed to pay amounts owing on the dates required for payment, as required pursuant to the terms of the Loan Agreements, which constituted a default pursuant to the Loan Agreements, the GSAs, the Guarantees and the Collateral Mortgage.
29. On June 16, 2020, TD Bank demanded immediate payment of the Outstanding Indebtedness in full from each of the Borrowers (collectively, the "**Borrower Demand Letters**") and enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

30. Attached hereto and marked as **Exhibit "34"** are copies of the Borrower Demand Letters.
31. Also on June 16, 2020, TD Bank demanded immediate payment of the Outstanding Indebtedness, in the amount then owing pursuant to the terms of the Guarantees (collectively, the "**Guarantor Demand Letters**") from Generation Corporation, Ellis Fabrications, Generation Construction, Generation Steel, Groundworks, James Foley and Danielle Foley (collectively, the "**Guarantors**").
32. Attached hereto and collectively marked as **Exhibit "35"** are copies of the Guarantor Demand Letters.
33. The Borrowers and Guarantors have failed to make payments to TD Bank in fulfillment of their respective obligations under the Loan Agreements, the GSAs, the Guarantees and the Collateral Mortgage.

Forbearance Agreement and Failed Attempts to Refinance

34. Following the issuance of the Borrower Demand Letters and the Guarantor Demand Letters, the Borrowers and Guarantors each acknowledged they were in default under the Loan Agreements and the Guarantees and requested that TD Bank forbear from exercising its rights and remedies regarding the Loan Agreements, the Guarantees, the GSAs and the Collateral Mortgage.
35. On August 24, 2020, TD Bank agreed to enter into a forbearance agreement (the "**Forbearance Agreement**") with the Borrowers and Guarantors whereby TD Bank would forbear from enforcing its rights until October 30, 2020 (the "**Forbearance Period**") in order to provide the Borrowers and Guarantors an opportunity to repay the Outstanding Indebtedness in full before the expiration of the Forbearance Period. Attached hereto and marked as **Exhibit "36"** is a copy of the Forbearance Agreement.
36. On November 2, 2020, upon the request of the Borrowers and Guarantors, TD Bank, the Borrowers and the Guarantors entered into a forbearance extension agreement (the "**Forbearance Extension Agreement**") whereby the Forbearance Period was extended

to December 2, 2020. Attached hereto and marked as **Exhibit "37"** is a copy of the Forbearance Extension Agreement.


37. To the best of my knowledge, during the Forbearance Period commencing August 24, 2020, the Borrowers and the Guarantors attempted to obtain financing to repay the Outstanding Indebtedness.
38. On November 16, 2020, TD Bank was provided with 2020 Financial Statements for Generation Corporation, Ellis Fabrications, Generation Construction, Generation Steel, and Groundworks (collectively, the "**2020 Financial Statements**"). I am advised by KPMG that based on the contents of the 2020 Financial Statements, there remains considerable doubt about the Borrowers' and Guarantors' ability to refinance in the short or medium term.
39. Attached hereto and marked as **Exhibit "38"** are copies of the 2020 Financial Statements.
40. Despite multiple assurances that a refinancing or alternate arrangements were forthcoming, the Borrowers and Guarantors have failed, refused, or otherwise neglected to obtain refinancing that would result in the repayment of the Outstanding Indebtedness.
41. The Borrowers have had over 5 months to obtain refinancing or otherwise resolve the Outstanding Indebtedness. I do not believe the Borrowers have any reasonable prospect of obtaining refinancing in order to repay the Outstanding Indebtedness.

Right to Appoint a Receiver

42. As of the date of swearing the within Affidavit, it is my understanding that the Borrowers and Guarantors will be unable to repay the Outstanding Indebtedness in full on or before December 2, 2020, or at all.
43. Pursuant to the Forbearance Agreement, each of Generation Corporation, Ellis Fabrications, Generation Construction, Generation Steel and Groundworks executed a Consent Receivership Order.

44. Each of the GSAs and the Collateral Mortgage provide for the appointment of a Receiver and Manager over the undertakings, property and assets of Generation Corporation, Ellis Fabrications, Generation Construction, Generation Steel and Groundworks, and the Mortgaged Property.
45. The current financial circumstances of the Borrowers and Guarantors, and, in particular their inability to pay debts as they become due, seriously impair the viability of the Borrowers and Guarantors and negatively impact the value of TD Bank's collateral.
46. I believe it is unlikely that the Borrowers and Guarantors will be able to repay the Outstanding Indebtedness owing to TD Bank without liquidating their property.
47. I make this Affidavit in support of an application for an Order appointing KPMG as Receiver of all of the Property of the Generation Corporation, Ellis Fabrications, Generation Construction, Generation Steel and Groundworks, including the Mortgaged Property, and for no other or improper purpose.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 24 day of November, 2020.



 A Commissioner of Oaths in and for the Province of Alberta

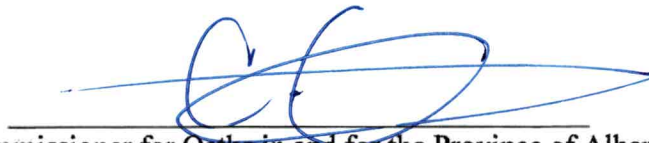
**CATRINA WEBSTER
 BARRISTER & SOLICITOR**



 EMILY STILL

Emily Still
 Account Manager
 TD Financial Restructuring Group

THIS IS EXHIBIT "1" TO THE
AFFIDAVIT OF EMILY STILL
SWORN BEFORE ME AT Calgary, Alberta,
this 24 day of November, 2020

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned above a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

CATRINA WEBSTER
BARRISTER & SOLICITOR

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2020/11/24
Time of Search: 09:16 AM
Search provided by: MLT AIKINS LLP (CALGARY)
Service Request Number: 34434534
Customer Reference Number: 152.3180

Corporate Access Number: 2017477213
Business Number: 815131735
Legal Entity Name: THE GENERATION CORPORATION

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2013/05/09 YYYY/MM/DD

Registered Office:

Street: 600, 4911 - 51 STREET
City: RED DEER
Province: ALBERTA
Postal Code: T4N6V4

Email Address: CORPORATE@WARRENSINCLAIR.COM

Directors:

Last Name: FOLEY
First Name: DANIELLE
Street/Box Number: 4207 - 53 STREET CLOSE
City: INNISFAIL
Province: ALBERTA
Postal Code: T4G1P9

Last Name: FOLEY
First Name: JAMES
Street/Box Number: 4207 - 53 STREET CLOSE
City: INNISFAIL
Province: ALBERTA
Postal Code: T4G1P9

Voting Shareholders:

Last Name: FOLEY
First Name: JAMES
Middle Name: KENNETH
Street: 4207 - 53 STREET CLOSE
City: INNISFAIL
Province: ALBERTA
Postal Code: T4G1P9
Percent Of Voting Shares: 50

Last Name: FOLEY
First Name: DANIELLE
Middle Name: RENEE
Street: 4207 - 53 STREET CLOSE
City: INNISFAIL
Province: ALBERTA
Postal Code: T4G1P9
Percent Of Voting Shares: 50

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED.

Share Transfers Restrictions: NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE PRIOR APPROVAL OF THE BOARD OF DIRECTORS BY RESOLUTION.

Min Number Of Directors: 1

Max Number Of Directors: 9

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: SEE SCHEDULE "B" ATTACHED.

Holding Shares In:

Legal Entity Name
GENERATION STEEL INC.
GROUNDWORKS SAFETY SYSTEMS INC.

Other Information:**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2020	2020/05/28

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2013/05/09	Incorporate Alberta Corporation
2016/05/26	Change Director / Shareholder
2020/02/21	Update BN
2020/05/28	Enter Annual Returns for Alberta and Extra-Provincial Corp.

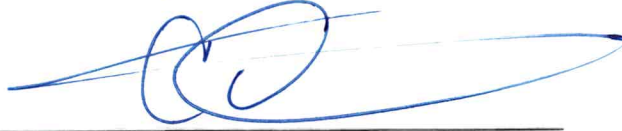
Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2013/05/09
Other Rules or Provisions	ELECTRONIC	2013/05/09

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



THIS IS EXHIBIT "2" TO THE
AFFIDAVIT OF EMILY STILL
SWORN BEFORE ME AT Calgary, Alberta,
this 24 day of November, 2020

A handwritten signature in blue ink, consisting of a large, stylized 'C' followed by a horizontal line extending to the right.

A Commissioner for Oaths in and for the Province of Alberta

**CATRINA WEBSTER
BARRISTER & SOLICITOR**

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2020/11/24
Time of Search: 09:18 AM
Search provided by: MLT AIKINS LLP (CALGARY)
Service Request Number: 34434556
Customer Reference Number: 152.3180

Corporate Access Number: 209468339
Business Number: 879897312
Legal Entity Name: ELLIS FABRICATIONS INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2001/08/09 YYYY/MM/DD
Date of Last Status Change: 2019/01/31 YYYY/MM/DD

Revival/Restoration Date: 2008/03/13 YYYY/MM/DD

Registered Office:

Street: 600, 4911 - 51 STREET
City: RED DEER
Province: ALBERTA
Postal Code: T4N6V4

Email Address: CORPORATE@WARRENSINCLAIR.COM

Directors:

Last Name: FOLEY
First Name: DANIELLE
Street/Box Number: 4207 - 53 STREET CLOSE
City: INNISFAIL
Province: ALBERTA
Postal Code: T4G1P9

Last Name: FOLEY
First Name: JAMES
Street/Box Number: 4207 - 53 STREET CLOSE
City: INNISFAIL
Province: ALBERTA
Postal Code: T4G1P9

Voting Shareholders:

Last Name: FOLEY
First Name: DANIELLE
Street: 4207 - 53 STREET CLOSE
City: INNISFAIL
Province: ALBERTA
Postal Code: T4G1P9
Percent Of Voting Shares: 50

Last Name: FOLEY
First Name: JAMES
Street: 4207 - 53 STREET CLOSE
City: INNISFAIL
Province: ALBERTA
Postal Code: T4G1P9
Percent Of Voting Shares: 50

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: THE ATTACHED SCHEDULE "A" IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

Share Transfers Restrictions: NO SHARES OF THE CORPORATION MAY BE TRANSFERRED WITHOUT THE PRIOR CONSENT OF THE BOARD OF DIRECTORS EXPRESSED BY A RESOLUTION PASSED BY THE BOARD OF DIRECTORS.

Min Number Of Directors: 1

Max Number Of Directors: 11

Business Restricted To: NONE.

Business Restricted From: NONE.

Other Provisions: THE ATTACHED SCHEDULE "B" IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

Holding Shares In:



Legal Entity Name
GENERATION CONSTRUCTION CORP.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2020	2020/11/04

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2001/08/09	Incorporate Alberta Corporation
2008/02/02	Status Changed to Struck for Failure to File Annual Returns
2008/03/13	Initiate Revival of Alberta Corporation
2008/03/13	Complete Revival of Alberta Corporation
2010/07/29	Name/Structure Change Alberta Corporation
2011/10/26	Change Director / Shareholder
2013/05/13	Change Address
2018/10/02	Status Changed to Start for Failure to File Annual Returns
2020/02/17	Update BN
2020/11/04	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2001/08/09
Other Rules or Provisions	ELECTRONIC	2001/08/09
Share Structure	ELECTRONIC	2010/07/29

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



THIS IS EXHIBIT "3" TO THE
AFFIDAVIT OF EMILY STILL
SWORN BEFORE ME AT Calgary, Alberta,
this 24 day of November, 2020



A Commissioner for Oaths in and for the Province of Alberta

**CATRINA WEBSTER
BARRISTER & SOLICITOR**

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2020/11/24
Time of Search: 09:19 AM
Search provided by: MLT AIKINS LLP (CALGARY)
Service Request Number: 34434568
Customer Reference Number: 152.3180

Corporate Access Number: 209468305

Business Number:

Legal Entity Name: GENERATION CONSTRUCTION CORP.

Legal Entity Status: Active

Alberta Corporation Type: Named Alberta Corporation

Registration Date: 2001/08/09 YYYY/MM/DD

Date of Last Status Change: 2019/01/31 YYYY/MM/DD

Revival/Restoration Date: 2004/02/26 YYYY/MM/DD

Registered Office:

Street: 600, 4911 - 51 STREET

City: RED DEER

Province: ALBERTA

Postal Code: T4N6V4

Email Address: CORPORATE@WARRENSINCLAIR.COM

Directors:

Last Name: FOLEY

First Name: DANIELLE

Street/Box Number: 4207 - 53 STREET CLOSE

City: INNISFAIL

Province: ALBERTA

Postal Code: T4G1P9

Last Name: FOLEY

First Name: JAMES

Street/Box Number: 4207 - 53 STREET CLOSE

City: INNISFAIL

Province: ALBERTA

Postal Code: T4G1P9

Voting Shareholders:

Legal Entity Name: ELLIS FABRICATIONS INC.
Corporate Access Number: 209468339
Street: 4207 - 53 STREET CLOSE
City: INNISFAIL
Province: ALBERTA
Postal Code: T4G1P9
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: THE ATTACHED SCHEDULE "A" IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

Share Transfers Restrictions: NO SHARES OF THE CORPORATION MAY BE TRANSFERRED WITHOUT THE PRIOR CONSENT OF THE BOARD OF DIRECTORS EXPRESSED BY A RESOLUTION PASSED BY THE BOARD OF DIRECTORS.

Min Number Of Directors: 1

Max Number Of Directors: 11

Business Restricted To: NONE.

Business Restricted From: NONE.

Other Provisions: THE ATTACHED SCHEDULE "B" IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2020	2020/11/04

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2001/08/09	Incorporate Alberta Corporation
2004/02/02	Status Changed to Struck for Failure to File Annual Returns
2004/02/26	Initiate Revival of Alberta Corporation
2004/02/26	Complete Revival of Alberta Corporation
2011/10/26	Change Director / Shareholder
2013/05/13	Change Address
2018/10/02	Status Changed to Start for Failure to File Annual Returns
2020/11/04	Enter Annual Returns for Alberta and Extra-Provincial Corp.

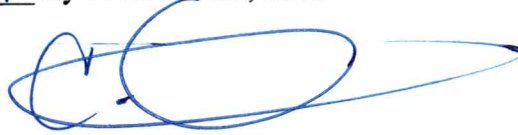
Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2001/08/09
Other Rules or Provisions	ELECTRONIC	2001/08/09

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



THIS IS EXHIBIT "4" TO THE
AFFIDAVIT OF EMILY STILL
SWORN BEFORE ME AT Calgary, Alberta,
this 24 day of November, 2020



A Commissioner for Oaths in and for the Province of Alberta

**CATRINA WEBSTER
BARRISTER & SOLICITOR**

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2020/11/24
Time of Search: 09:20 AM
Search provided by: MLT AIKINS LLP (CALGARY)
Service Request Number: 34434582
Customer Reference Number: 152.3180

Corporate Access Number: 2018265534
Business Number: 807855770
Legal Entity Name: GENERATION STEEL INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2014/06/03 YYYY/MM/DD

Registered Office:

Street: 600, 4911 - 51 STREET
City: RED DEER
Province: ALBERTA
Postal Code: T4N6V4

Email Address: CORPORATE@WARRENSINCLAIR.COM

Directors:

Last Name: FOLEY
First Name: JAMES
Middle Name: KENNETH
Street/Box Number: 4207 - 53 STREET CLOSE
City: INNISFAIL
Province: ALBERTA
Postal Code: T4G1P9

Voting Shareholders:

Legal Entity Name: THE GENERATION CORPORATION
Corporate Access Number: 2017477213
Street: 4207 - 53 STREET CLOSE
City: INNISFAIL

11/24/2020

Province: ALBERTA
Postal Code: T4G1P9
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED.
Share Transfers Restrictions: NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE PRIOR APPROVAL OF THE BOARD OF DIRECTORS BY RESOLUTION.
Min Number Of Directors: 1
Max Number Of Directors: 9
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "B" ATTACHED.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2020	2020/07/07

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2014/06/03	Incorporate Alberta Corporation
2020/02/21	Update BN
2020/07/07	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
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11/24/2020

<u>Share Structure</u>	ELECTRONIC	2014/06/03
<u>Other Rules or Provisions</u>	ELECTRONIC	2014/06/03

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



THIS IS EXHIBIT "5" TO THE
AFFIDAVIT OF EMILY STILL
SWORN BEFORE ME AT Calgary, Alberta,
this 24 day of November, 2020

A handwritten signature in blue ink, consisting of a large, stylized 'C' followed by a horizontal line that tapers to the right.

A Commissioner for Oaths in and for the Province of Alberta

CATRINA WEBSTER
BARRISTER & SOLICITOR

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2020/11/24
Time of Search: 09:21 AM
Search provided by: MLT AIKINS LLP (CALGARY)
Service Request Number: 34434591
Customer Reference Number: 152.3180

Corporate Access Number: 2019056874
Business Number: 805613726
Legal Entity Name: GROUNDWORKS SAFETY SYSTEMS INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2015/06/25 YYYY/MM/DD

Registered Office:
Street: 600, 4911 - 51 STREET
City: RED DEER
Province: ALBERTA
Postal Code: T4N6V4

Email Address: CORPORATE@WARRENSINCLAIR.COM

Directors:

Last Name: FOLEY
First Name: JAMES
Middle Name: KENNETH
Street/Box Number: 4207 - 53 STREET CLOSE
City: INNISFAIL
Province: ALBERTA
Postal Code: T4G1P9

Voting Shareholders:

Legal Entity Name: THE GENERATION CORPORATION
Corporate Access Number: 2017477213
Street: 4207 - 53 STREET CLOSE
City: INNISFAIL

Province: ALBERTA
Postal Code: T4G1P9
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED.
Share Transfers Restrictions: NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE PRIOR APPROVAL OF THE BOARD OF DIRECTORS BY RESOLUTION.
Min Number Of Directors: 1
Max Number Of Directors: 9
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "B" ATTACHED.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2020	2020/07/07

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2015/06/25	Incorporate Alberta Corporation
2016/05/26	Change Director / Shareholder
2020/02/22	Update BN
2020/07/07	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:



Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2015/06/25
Other Rules or Provisions	ELECTRONIC	2015/06/25

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



THIS IS EXHIBIT "6" TO THE
AFFIDAVIT OF EMILY STILL
SWORN BEFORE ME AT Calgary, Alberta,
this 24 day of November, 2020

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

A Commissioner for Oaths in and for the Province of Alberta

CATRINA WEBSTER
BARRISTER & SOLICITOR



Downtown Branch
4902 Gaetz Avenue
Red Deer, AB T4N 4A8

Telephone No: 403 357 1871
Fax No: 403 357 1888

December 24, 2018

THE GENERATION CORPORATION
4207 53 Street Close
Innisfail, AB T4G 1P9

Attention: James Foley and Danielle Foley

Dear Sir and Madam,

We are pleased to offer the Borrower the following credit facilities (the "Facilities"), subject to the following terms and conditions.

BORROWER

THE GENERATION CORPORATION (the "Borrower")

LENDER

The Toronto-Dominion Bank (the "Bank"), through its 4902 Gaetz Avenue branch, in Red Deer, AB.

CREDIT LIMIT

1) CAD\$5,558,000

**TYPE OF CREDIT
AND BORROWING
OPTIONS**

- 1) **Committed Reducing Term Facility (Single Draw)** available at the Borrower's option by way of:
 - Fixed Rate Term Loan in CAD\$
 - Floating Rate Term Loan available by way of:
 - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")
 - Bankers Acceptances in CAD\$ or USD\$ ("B/As")

PURPOSE

- 1) Refinance of Innisfail Facility

TENOR

- 1) Committed

**CONTRACTUAL
TERM**

- 1) 60 month(s) from the date of drawdown.

**RATE TERM
(FIXED RATE
TERM LOAN)**

- 1) Fixed rate: 6 month, 12-60 months but never to exceed the Contractual Term Maturity Date
- 1) Floating rate: No term

AMORTIZATION

- 1) 240 month(s)

**INTEREST RATES
AND FEES**

Advances shall bear interest and fees as follows:

- 1) **Committed Reducing Term Facility:**
 - Fixed Rate Term Loans: % per annum or as determined by the Bank, in its sole discretion, for the Rate Term selected by the Borrower, and as set out in the Rate and Payment Terms Notice applicable to that Fixed Rate Term Loan.
 - Floating Rate Term Loans available by way of:
 - Prime Based Loans: Prime Rate + 1.550% per annum
 - B/As: Stamping Fee at 3.450% per annum

For all Facilities, interest payments will be made in accordance with Schedule "A" attached hereto unless otherwise stated in this Letter or in the Rate and Payment Terms Notice applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A" attached hereto.

Interest on Fixed Rate Term Loans under Facility 1 is compounded semi - annually and in arrears.

ARRANGEMENT FEE

The Borrower will pay prior to any drawdown hereunder a non-refundable arrangement fee of CAD\$25,000.

RENEWAL FEE

CAD\$12,500 per annum.

LATE REPORTING FEE

The Borrower may, at the Bank's discretion, be charged a late reporting fee of CAD \$250 per month until all reporting requirements met. The borrower acknowledges that any violation of the reporting requirements to the Bank will render the borrower non-compliant and will result in a late reporting fee of \$250 for each occurrence. Payment of the fee will NOT constitute a waiver, expressed or implied, of the requirement to maintain strict compliance with all terms and conditions set out in the finance agreement.

EXCESS MONITORING FEE

The Borrower may, at the Bank's discretion, be charged an Excess Monitoring Fee of \$250, payable in the currency of the Facility, each time that the Credit Limit of a Facility is exceeded. Any extension of credit above the Credit Limit will be at the Bank's sole and absolute discretion.

DRAWDOWN

Assigned Facilities Description

- 1) One time drawdown, after which time, any amount not drawn is cancelled. Amounts repaid may not be redrawn.

REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY

Assigned Facilities Description

- 1) All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. The drawdown will be repaid in equal monthly payments. The details of repayment and interest rate applicable to such drawdown will be set out in the "Rate and Payment Terms Notice" applicable to that drawdown. Any amounts repaid may not be reborrowed.

PREPAYMENT

Assigned

Facilities Description

- 1) The Borrower has selected the 10% Prepayment Option and accordingly, Fixed Rate Term Loans under this Facility may be prepaid in accordance with Section 4a) and 4b) of Schedule A.

SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

- a) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property.
- b) Continuing Collateral Mortgage, representing a First charge, on real property located at 4207 53 Street Close, Innisfail, Alberta in the principal amount of CAD \$6,412,500, beneficially owned by and registered in the name of THE GENERATION CORPORATION.
- c) General Assignments of Rents and Leases.
- d) Assignment of Fire Insurance (Loss Payee).
- e) Guarantee of Advances – Unlimited – Executed by ELLIS FABRICATIONS INC. in support of THE GENERATION CORPORATION and further supported by:
 1. General Security Agreement.
 2. Subordination and Priorities Agreement.
- f) Guarantee of Advances
 - Unlimited
 - Executed by JAMES KENNETH FOLEY (the "Guarantor")
- g) Guarantee of Advances
 - Unlimited
 - Executed by DANIELLE R FOLEY (the "Guarantor")
- h) Guarantee of Advances – Unlimited – Executed by GENERATIONS CONSTRUCTION CORP in support of THE GENERATION CORPORATION and further supported by:
 1. General Security Agreement.
 2. Subordination and Priorities Agreement.
- i) Guarantee of Advances – Executed by GENERATION STEEL INC. in support of THE GENERATION CORPORATION and further supported by:
 1. General Security Agreement.
- j) Guarantee of Advances – Unlimited – Executed by GROUNDWORKS SAFETY SYSTEMS INC. in support of THE GENERATION CORPORATION and further supported by:
 1. General Security Agreement.

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

**DISBURSEMENT
CONDITIONS**

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A" and the following additional drawdown conditions:

Delivery to the Bank of the following, all of which must be satisfactory to the Bank:

Assigned Facilities	Description
All)	A Transmittal Letter from Waters Commercial Appraisals Inc. for TD's use of the Appraisal completed January 26, 2018.
All)	A copy of the Borrower's Finalized financial statements for the fiscal year July 31, 2018 with no material deviation.
All)	Satisfactory execution by the Borrower of the Bank's form of Borrower's Environmental Questionnaire and completion of a Site Visit by the Bank.
	Satisfactory receipt of New or existing Mechanical Engineers Report.
All)	The Bank shall be satisfied that at the time of the Drawdown the Loan Amount shall not exceed the lesser of: (A) 65% of Appraisal Value of the Property; or (B) 65% of the economic market value of the Property, as determined by the Bank.
All)	To be funded in trust to the solicitor in order to complete the required security package and facilitate payouts of specified liabilities.

**REPRESENTATIONS
AND WARRANTIES**

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in Schedule "A".

**POSITIVE
COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A" and in addition will:

Assigned Facilities	Description
All)	Provide annual Notice To Reader consolidated financial statements within 120 calendar days of fiscal year end to include and accompanied by; a) Review Engagement financial statements for Ellis Fabrications Inc. b) Notice To Reader financial statements for The Generation Corporation c) Review Engagement financial statements for GroundWorks Safety Systems Inc. d) Notice To Reader financial statements for Generation Construction Corp e) Notice To Reader financial statements for Generation Steel Inc.
All)	Provide Company prepared Quarterly consolidated financial statements to be provided within 45 days of each fiscal quarters end (for October, January and April only) along with Compliance Certificate outlining DSC and CR compliance.

- All) Provide confirmation to the Bank on an annual basis that taxes are current, such confirmation to be in a format acceptable to the Bank.

NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A". In addition the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

Assigned

Facilities Description

- All) Withdraw any equity or profit through distributions and dividends without the Bank's prior consent.

PERMITTED LIENS

Permitted Liens as referred to in Schedule "A" are:

Assigned

Facilities Description

- All) Purchase Money Security Interests, not to exceed at any time:
i) for the Borrower and its subsidiaries, \$2,000,000 in the aggregate.
All) Liens in excess of \$200,000 or 10% of Permitted liens:

GroundWorks Safety Systems Inc. - Lien on 2005 TRUMPF L3050 5,000 watt CNC Laser c/w all accessories and attachments S/N A0230A1043, in favour of CWB NL Finance Inc., securing indebtedness of \$393,692 USD with a maturity date of October 2022.

GroundWorks Safety Systems Inc. - Lien on TRUMPF Tru Laser 3060 6kw Fiber Laser, c/w all accessories and attachments, in favour of Trumpf Finance., securing indebtedness of \$849,101USD with a maturity date of July 2022.

FINANCIAL COVENANTS

The Borrower agrees at all times to:

Assigned

Facilities Description

- All) Maintain a Debt Service Coverage ratio (DSC) of not less than 120% to be maintained at all times based on the consolidated financial statements. To be tested on a building basis from the date of closing up to and including Q4-2019 and then on a rolling four quarterly basis thereafter.

The DSC is calculated as follows:

(Earnings before Interest, Taxes, Depreciation, and Amortization - Unfinanced Capital Expenditures - Net Distributions) / (Principal + Interest)

Unfinanced Capex = Capital Expenditures minus Financing Received (Bank or external) for the capital expenditures.

Net Distributions = Any repayment of shareholders loans, dividends, or advances paid to shareholders less any advance or re-investment into the companies.

All) Maintain a Current Ratio of not less than 1.10:1 based on consolidated financial statements and to be tested on a Quarterly basis.

Current Ratio is defined as current assets less loans to shareholders, employees and any other related parties divided by current liabilities.

**EVENTS OF
DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the Standard Events of Default contained in Schedule "A" attached hereto.

**SCHEDULE "A" -
STANDARD TERMS
AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

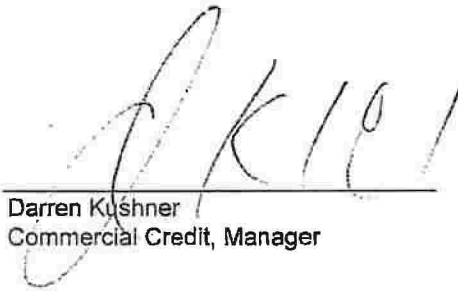
We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before **27, January, 2019.**

Yours truly,

THE TORONTO-DOMINION BANK



David Macdonald
Account Manager



Darren Kushner
Commercial Credit, Manager

TO THE TORONTO-DOMINION BANK:

THE GENERATION CORPORATION hereby accepts the foregoing offer this 26 day of December, 2018. 11
The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.


Signature


Signature


Print Name & Position

Danielle Foley
Print Name & Position

cc. Guarantor(s)

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

SCHEDULE A
STANDARD TERMS AND CONDITIONS

1. INTEREST RATE DEFINITIONS

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

The Stamping Fee rate per annum for CAD B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for USD B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

CDOR means, for any day, the annual rate for B/As denominated in Canadian Dollars for a specified term that appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, then on the immediately preceding Business Day).

LIBOR means the rate of interest per annum (based on a 360 day year) as determined by the Bank (rounded upwards, if necessary to the nearest whole multiple of 1/16th of 1%) at which the Bank may make available United States dollars which are obtained by the Bank in the Interbank Euro Currency Market, London, England at approximately 11:00 a.m. (Toronto time) on the second Business Day before the first day of, and in an amount similar to, and for the period similar to the interest period of, such advance.

USBR means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

If Prime Rate, CDOR, LIBOR, USBR or any other applicable base rate is less than zero, such base rate shall be deemed to be zero for purposes of this Agreement.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

2. INTEREST CALCULATION AND PAYMENT

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year.

The Stamping Fee is calculated based on the amount and the term of the B/A and is payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CAD B/As or USD B/As as the case may be, for the specified term of the B/A less the B/A Stamping Fee. If the B/A discount rate (or the rate used to determine the B/A discount rate) is less than zero, it shall instead be deemed to be zero for purposes of this Agreement.

Interest on LIBOR Loans and CDOR Loans is calculated and payable on the earlier of contract maturity or quarterly in arrears, for the number of days in the LIBOR or CDOR interest period, as applicable.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on Fixed Rate Term Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of principal.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at the Bank's standard rate charged from time to time for overdrafts, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

3. DRAWDOWN PROVISIONS

Prime Based and USBR Loans

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in this Agreement. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over \$1,000,000.

B/As

The Borrower shall advise the Bank of the requested term or maturity date for B/As issued hereunder. The Bank shall have the discretion to restrict the term or maturity dates of B/As. In no event shall the term of the B/A exceed the Contractual Term Maturity Date or Maturity Date, as applicable. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of B/As is \$1,000,000 and in multiples of \$100,000 thereafter. The Borrower shall provide the Bank with 3 Business Days' notice of a requested B/A drawdown.

The Borrower shall pay to the Bank the full amount of the B/A at the maturity date of the B/A.

The Borrower appoints the Bank as its attorney to and authorizes the Bank to (i) complete, sign, endorse, negotiate and deliver B/As on behalf of the Borrower in handwritten form, or by facsimile or mechanical signature or otherwise, (ii) accept such B/As, and (iii) purchase, discount, and/or negotiate B/As.

LIBOR and CDOR

The Borrower shall advise the Bank of the requested LIBOR or CDOR contract maturity period. The Bank shall have the discretion to restrict the LIBOR or CDOR contract maturity. In no event shall the term of the LIBOR or CDOR contract exceed the Contractual Term Maturity Date. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of a LIBOR Loan or a CDOR Loan is \$1,000,000, and shall be in multiples of \$100,000 thereafter. The Borrower will provide the Bank with 3 Business Days' notice of a requested LIBOR Loan or CDOR Loan.

L/C and/or L/G

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

B/A, LIBOR and CDOR - Conversion

Any portion of any B/A, LIBOR or CDOR Loan that is not repaid, rolled over or converted in accordance with the applicable notice requirements hereunder shall be converted by the Bank to a Prime Based Loan effective as of the maturity date of the B/A or the last day in the interest period of the LIBOR or CDOR contract, as applicable. The Bank may charge interest on the amount of the Prime Based Loan at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

B/A, LIBOR and CDOR – Market Disruption

If the Bank determines, in its sole discretion, that a normal market in Canada for the purchase and sale of B/As or the making of CDOR or LIBOR Loans does not exist, any right of the Borrower to request a drawdown under the applicable borrowing option shall be suspended until the Bank advises otherwise. Any drawdown request for B/As, LIBOR or CDOR Loans, as applicable, during the suspension period shall be deemed to be a drawdown notice requesting a Prime Based Loan in an equivalent amount.

Cash Management

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit even if the drawdown results in amounts outstanding in excess of the Credit Limit.

Notice

Prior to each drawdown under a Fixed Rate Term Loan, other than a Long Term Farm Loan, an Agriculture Term Loan, a Canadian Agricultural Loans Act Loan, a Dairy Term Loan or a Poultry Term Loan and at least 10 days prior to the maturity of each Rate Term, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of BA, CDOR, or LIBOR Loan or under the operating loan, send a Rate and Payment Terms Notice to the Borrower.

4. PREPAYMENT

Fixed Rate Term Loans

10% Prepayment Option Chosen.

- (a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Fixed Rate Term Loan not exceeding 10% of the original amount of the Fixed Rate Term Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.
- (b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Fixed Rate Term Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
 - i) three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
 - ii) the Yield Maintenance, being the difference between:
 - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
 - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity

of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

10% Prepayment Option Not Chosen.

- (c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
- i) three months' interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
 - ii) the Yield Maintenance, being the difference between:
 - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
 - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

Floating Rate Term Loans

The Borrower may prepay the whole or any part of the principal outstanding under a Floating Rate Term Loan, at any time without the payment of prepayment charges.

5. STANDARD DISBURSEMENT CONDITIONS

The obligation of the Bank to permit any drawdowns hereunder at any time is subject to the following conditions precedent:

- a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:
 - i) A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
 - ii) A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
 - iii) All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
 - iv) The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
 - v) All operation of account documentation; and
 - vi) For drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement
- b) The representations and warranties contained in this Agreement are correct.
- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.
- d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

6. STANDARD REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, that: