Form 49
[Rule 13.19]

COURT FILE NUMBER	**1901-** 04336	Clerk's Stamp CLERK OF THE COURT FILED MAR 26 2019 JUDICIAL CENTRE OF CALGARY
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	Calgary	
PLANTIFF	**MAYNBRIDGE CAPITAL INC.**	
DEFENDANTS	**GENCO HOLDINGS LTD., GENCO (WALDEN) LTD., PALI BEDI, TARLOK TATLA, JASBIR HANS, SOLO LIQUOR HOLDINGS LTD. and SOLO LIQUOR STORES LTD.**	
DOCUMENT	**AFFIDAVIT**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Matti Lemmens Borden Ladner Gervais LLP 1900, 520 3rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232.9511 Facsimile: (403) 266.1395 Email: mlemmens@blg.com File No. 562354.000006	

AFFIDAVIT OF STEPHEN DAVIES

Sworn on March 25, 2019

I, Stephen Davies, of the City of Ottawa, in the Province of Ontario, SWEAR AND SAY THAT:

1. I am the Senior Vice President and Chief Risk Officer of the Plaintiff, Maynbridge Capital Inc. ("**Maynbridge**"), and am presently responsible for the administration of the within accounts. As such, I have personal knowledge of the matters and facts hereinafter sworn to, except where stated to be based on information and belief, and where so stated, I verily believe the same to be true.

2. Maynbridge is a corporation incorporated in British Columbia with a registered office located in Vancouver, British Columbia, extra-provincially registered to carry on business in the Province of Alberta. Maynbridge is engaged in the business of providing asset-based financing to Canadian

enterprises secured by a range of assets, including equipment, industrial and commercial real estate, inventory and accounts receivable.

3. The Defendant, Genco Holdings Ltd. ("**Genco**") is, as far as I am aware based on a search at the Alberta Corporate Registry, a corporation incorporated in Alberta with a registered office located in Calgary, Alberta. Attached hereto and marked as **Exhibit "A"** is a true copy of a Corporate Registry search for Genco, dated March 22, 2019.

4. The Defendant, Genco (Walden) Ltd. ("**Walden**") is, as far as I am aware based on a search at the Alberta Corporate Registry, a corporation incorporated in Alberta with a registered office located in Calgary, Alberta. Walden is a wholly-owned subsidiary of Genco. Attached hereto and marked as **Exhibit "B"** is a true copy of a Corporate Registry search for Walden, dated March 22, 2019.

5. The Defendant, Solo Liquor Holdings Ltd. ("**SLH**") is, as far as I am aware based on a search at the Alberta Corporate Registry, a corporation incorporated in Alberta with a registered office located in Calgary, Alberta. Attached hereto and marked as **Exhibit "C"** is a true copy of a Corporate Registry search for SLH, dated March 22, 2019.

6. The Defendant, Solo Liquor Stores Ltd. ("**SLS**"), is as far as I am aware, based on a search at the Alberta Corporate Registry, a corporation incorporated in Alberta with a registered office located in Calgary, Alberta. SLS is the successor by amalgamation of Solo Liquor Holdings (2) Ltd. ("**SLH2**"). Attached hereto and marked as **Exhibit "D"** are true copies of Corporate Registry searches for SLH2 and SLS, dated March 22, 2019 and March 23, 2019, respectively.

7. The Defendants, Pali Bedi ("**Bedi**"), Tarlok Tatla ("**Tatla**") and Jasbir Hans ("**Hans**") are, as far as I am aware, individuals residing in the Province of Alberta. All three of Bedi, Tatla and Hans are listed as directors for Genco, Walden, SLH and SLS.

Loans and Security

8. Maynbridge provided a loan in a single advance in the principal amount of $18,000,000 (the "**Loan**") to Genco and Walden (collectively, the "**Borrower**") pursuant to a Credit Agreement dated December 22, 2017 (the "**Credit Agreement**"). Attached hereto and marked as **Exhibit "E"** is a true copy of the Credit Agreement.

9. Pursuant to the Credit Agreement, the performance of the Borrower's obligations thereunder were guaranteed, jointly and severally, by SLH and SLH2 (collectively, the "**Corporate Guarantors**")

and by Bedi, Tatla and Hans, in their personal capacity (collectively, the "**Individual Guarantors**").

10. As security for the Loan, the Borrower, the Corporate Guarantors and the Individual Guarantors granted various security to Maynbridge including, but not limited to the following:

(a) General Security Agreements dated December 22, 2017 granted by each of Genco and Walden, respectively (referred to herein as the "**Genco GSA**" and the "**Walden GSA**", respectively), pursuant to which each of Genco and Walden pledged

(i) all of its present and after acquired personal property, except any consumer goods, and

(ii) a floating charge over all of its interest in personal, real, immovable and leasehold property, including without limitation, all fixtures, crops and improvements, both present and future

as collateral security for all outstanding obligations owed by Genco and Walden, respectively, to Maynbridge. Attached hereto and marked as **Exhibit "F"** are true copies of the Genco GSA and the Walden GSA;

(b) Collateral Mortgage dated December 22, 2017 (the "**Collateral Mortgage**") pursuant to which the Borrower pledged a collateral mortgage in the principal amount of $18,000,000 and registered over the following real properties:

(i) CONDOMINIUM PLAN 1711606
UNITS 1, 6, and 7
AND ALL APPLICABLE UNDIVIDED ONE TENTH THOUSANDTHS
SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS
(the "**Walden Lands**"),

(ii) CONDOMINIUM PLAN 9410576
UNITS 1 – 6, INCLUSIVE
AND ALL APPLICABLE UNDIVIDED ONE TENTH THOUSANDTH
SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS, and

(iii) PLAN A1
BLOCK 33
THE NORTH HALVES OF LOTS 1 AND 2 AND ALL OF LOTS 3 AND 4

(the lands described in subparagraphs 10(b)(ii) and 10(b)(iii) herein are collectively referred to as the "**Genco Lands**").

Attached hereto and marked as **Exhibit "G"** is a true copy of the Collateral Mortgage together with copies of title to the Walden Lands and the Genco Lands evidencing registration of the Collateral Mortgage thereon;

(c) General Assignment of Rents and Leases dated December 22, 2017 in respect of the Walden Lands and the Genco Lands (the "**Assignment of Rents**"). Attached hereto and marked as **Exhibit "H"** is a true copy of the Assignment of Rents; and

(d) Guarantee and Indemnity dated December 22, 2017 (the "**Guarantee**") pursuant to which the Corporate Guarantors and the Individual Guarantors, jointly and severally, unconditionally guaranteed all obligations owed by the Borrower. Attached hereto and marked as **Exhibit "I"** is a true copy of the Guarantee

(collectively, the "**Security**").

11. Among other things, the Security provided that the Borrower would reimburse Maynbridge for all costs and expenses, including legal fees on a solicitor and his own client, full indemnity basis, incurred by Maynbridge in the protection or enforcement of the rights, remedies and powers of Maynbridge thereunder.

Defaults

12. The Borrower has defaulted under the terms of the Credit Agreement and the Security. Among other things, the Borrower has failed to repay balances due and owing under the Loan as they come due, constituting a breach of the debt repayment covenant under the Credit Agreement and a breach of its covenant under the Security to perform obligations owed to Maynbridge. In particular, the Borrower has failed to make payment in the amount of $138,082.19, due on March 1, 2019.

13. On or about February 25, 2019, the Borrower advised Maynbridge that the Walden Lands and the Genco Lands were being marketed for sale. Upon receipt of the listings, Maynbridge learned that, despite requiring prior written approval of Maynbridge for the sale of the Walden Lands and the Genco Lands, the Borrower had listed these properties for sale since December 2018, without informing Maynbridge of its intention to market the Walden Lands and the Genco Lands. During

this same communication, Maynbridge was advised that the Borrower would miss the payment due on March 1, 2019.

14. Furthermore, in or around late February, 2019, Maynbridge discovered that Walden had granted a mortgage over the Walden Lands in favour of a numbered company owned by David Prasow, Q.C., corporate counsel to the Borrower and the Corporate Guarantors, without obtaining the prior written consent of Maynbridge, constituting a breach of the Credit Agreement.

15. Shortly thereafter, Maynbridge discovered that Genco had granted a mortgage and/or land charge over all its real property, including the Genco Lands, in favour of certain creditors of the Corporate Guarantors including, without limitation, ATB Financial and Crown Capital LP Partner Funding Inc. This constitutes a breach of the Credit Agreement and causes Maynbridge serious concern as the registration of subsequent mortgage and land charge over Genco's real property erodes Maynbridge's floating charge over same. Attached hereto and marked as **Exhibit "J"** is a true copy of email correspondence dated March 8, 2019 from my colleague, Warren Miller, to Bedi regarding Maynbridge's concern with respect thereto.

16. On or about March 18, 2019, Maynbridge learned that over $300,000 of outstanding property tax is owed with respect to the Walden Lands. These tax arrears were surprising as, to the best of my knowledge, the Walden Lands were fully rented by way of triple net leases, which required that tenants pay the landlord, *inter alia*, their respective portions of the property tax. To the best of my knowledge, the tenants of the Walden Lands had paid and continue to pay rent under their leases. I believe that Walden is utilizing the additional rents collected for property taxes outside of their intended purpose and I have significant concerns over potential enforcement action by the municipality.

17. Further, by order of the Honourable Justice P. R. Jeffrey dated March 22, 2019, Ernst & Young Inc. was appointed as receiver to certain real property owned by Genco (the "**HSBC Receivership Order**"). This constitutes an event of default under the Credit Agreement and the Security. Attached hereto and marked as **Exhibit "K"** is a true copy of the HSBC Receivership Order.

18. Furthermore, through the course of the parties' dealings, the Borrower has continuously failed to satisfy the reporting covenants under the Credit Agreement in a timely manner, or at all, including as follows:

(a) In or around April 2018, Maynbridge requested that the Borrower provide financial information pursuant to the Credit Agreement, including without limitation: financial statements and statements of accounts from the Receiver General for Genco, Walden and the Corporate Guarantors, and the personal net worth statements from the Individual Guarantors. The Borrower only provided the 2017 annual financial statement for Walden and the personal net worth statements;

(b) In or around August 2018, Maynbridge again requested that the Borrower provide financial information pursuant to the Credit Agreement. At this time, Maynbridge also requested that the Borrower comply with its covenants to provide updated environmental and remediation reports and an updated geotechnical report for the Genco Lands within 180 days after closing (the "**Post-Closing Reports**"). In response, Maynbridge received only partial financial reporting from the Borrower. Maynbridge continued to request that the Borrower provide the Post-Closing Reports until January 2019. However, Maynbridge never received any of the Post-Closing Reports nor any explanation for the Borrower's failure to provide them; and

(c) The Borrower and/or the Corporate Guarantors were to provide financial statements with respect to the amalgamation of the Corporate Guarantors and related entities. Despite continuing delay, Maynbridge was assured that it would receive the financial statements by June 2018. However, the financial statements were only provided on or about December 17, 2018, approximately six months after their expected due date.

19. In light of the above noted breaches and defaults, and actions taken by the Borrower, I have significant concerns about the Borrower's ability to operate as a going concern. Furthermore, I have great concern with management's continued control of the business and operations, and its ability to address the indebtedness owing to Maynbridge in a proper manner.

20. Maynbridge has repeatedly requested information with respect to, *inter alia*, the sale process, the collection of rents and administration of property expenses with respect to the Walden Lands and the Genco Lands, Maynbridge's assignment of rents with respect to same, and the Borrower's standing with the Canada Revenue Agency and municipal property tax. While Maynbridge was advised, in or around September 2018, that the Borrower had no outstanding CRA obligations, Maynbridge has only received incomplete information in response to its information requests to date.

21. Given the serious deterioration of the financial condition of the Borrower, the receivership granted by this Court over certain of Genco's real property, and the lack of transparency of the Borrower's dealings, Maynbridge has significant concern that letting management maintain control will cause value to further erode, and potential priority payables to accrue. Furthermore, Maynbridge is concerned that funds belonging to Walden may be used to satisfy other obligations of Genco.

22. Among other things, Maynbridge is concerned about the potential improper use of the rents collected for the Walden Lands. The Borrower has failed to forward the rents due on March 1, 2019 to Maynbridge upon the Borrower's default of the Credit Agreement and the Security. I verily believe that the appointment of a receiver on an urgent basis is necessary to ensure that the rents due on April 1, 2019 are paid to the proposed receiver and used for a proper purpose.

23. I verily believe the activities described in paragraphs 12 to 17 herein are events that have a material adverse effect to the ability of the Borrower, the Corporate Guarantors and the Individual Guarantors to repay balances due and owing under the Credit Agreement and the Security, further constituting an event of default thereunder. These activities also signify that the Borrower is experiencing significant financial difficulty.

24. I verily believe that the only efficient way of preserving and realizing upon the assets in an orderly manner that preserves value for Maynbridge and other interested parties, and without incurring any potential payment obligations ranking in priority to Maynbridge, is through the appointment of a receiver.

Demand and Notice

25. As of March 25, 2019, the Defendants owed Maynbridge a total of $18,257,346.29 (the "**Indebtedness**"), together with legal fees, other chargeable costs and interest continuing to accrue thereon.

26. On or about February 28, 2019, Maynbridge issued demand for repayment against each of Genco, Walden, the Corporate Guarantors and the Individual Guarantors (the "**Demand Letter**"). Attached hereto and marked as **Exhibit "L"** is a true copy of the Demand Letter.

27. On or about March 1, 2019, Maynbridge issued to each of Genco and Walden a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended. Attached hereto and marked as **Exhibit "M"** are true copies of the Section 244 Notices.

28. Given the above noted breaches and defaults under the Credit Agreement and the Security, Maynbridge is now at liberty to enforce its rights.

29. No payment has been made by any of the Defendants or otherwise to satisfy any of the Indebtedness, nor have the Defendants presented Maynbridge with any alternative plan or financing to address the Indebtedness.

Consent to Act

30. Ernst & Young Inc. has consented to act as receiver over the right, title and interest of Genco in and to the Genco Lands and as receiver of Walden. Attached hereto and marked as **Exhibit "N"** is a true copy of the Consent to Act executed by the office of the proposed receiver.

Relief Sought

31. I make this affidavit in support of an Order appointing Ernst & Young Inc. as the court-appointed receiver and manager of Genco and Walden pursuant to the form of Receivership Order appended to the accompanying application for such appointment filed by Maynbridge in these proceedings.

SWORN BEFORE ME at Ottawa, Ontario this 25th day of March, 2019.	)	
A Notary Public in and for the Province of Ontario	)	STEPHEN DAVIES

Lawrence Elliot

This is Exhibit "A" referred to
in the Affidavit of Stephen Davies
Sworn before me this 25th day of March, 2019

Notary Public
In and for the Province of Ontario

Lawrence A Elliot

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

Date of Search: 2019/03/22
Time of Search: 01:11 PM
Search provided by: BORDEN LADNER GERVAIS LLP

Service Request Number: 30704937
Customer Reference Number: 562354.06

Corporate Access Number: 208641183
Legal Entity Name: GENCO HOLDINGS LTD.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2000/01/28 YYYY/MM/DD
Date of Last Status Change: 2002/05/15 YYYY/MM/DD

Registered Office:
Street: 1400, 707 - 7TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6

Records Address:
Street: 1400, 707 - 7TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6

Directors:

Last Name: BEDI
First Name: PALI
Street/Box Number: 980 - 101 STREET S.W.
City: CALGARY

Province: ALBERTA
Postal Code: T3H 3Z5

Last Name: HANS
First Name: JASBIR
Street/Box Number: 11 KINGS ROAD
City: ROCKYVIEW COUNTY
Province: ALBERTA
Postal Code: T1Z 0A2

Last Name: TATLA
First Name: TARLOK
Middle Name: SINGH
Street/Box Number: 11 DEL RAY CRESCENT N.E.
City: CALGARY
Province: ALBERTA
Postal Code: T1Y 6V8

Voting Shareholders:

Legal Entity Name: JH HOLDINGS LTD.
Corporate Access Number: 2017191103
Street: 1400, 707 - 7 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6
Percent Of Voting Shares: 33

Last Name: PB HOLDINGS LTD.
Street: 1400, 707 - 7 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6
Percent Of Voting Shares: 34

Last Name: TATLA HOLDINGS LTD.
Street: 1400, 707 - 7 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6

Percent Of Voting Shares: 33

Details From Current Articles:

<u>The information in this legal entity table supersedes equivalent electronic attachments</u>

Share Structure:	SCHEDULE "A" IS ATTACHED HERETO AND FORMS PART OF THIS FORM.
Share Transfers Restrictions:	TRANSFER OF SHARES IS RESTRICTED; NO SHARES IN THE CORPORATION MAY BE TRANSFERRED WITHOUT APPROVAL FROM THE BOARD OF DIRECTORS.
Min Number Of Directors:	1
Max Number Of Directors:	7
Business Restricted To:	NO RESTRICTIONS
Business Restricted From:	NO RESTRICTIONS
Other Provisions:	SCHEDULE "B" IS ATTACHED HERETO AND FORMS PART OF THIS FORM.

Holding Shares In:

Legal Entity Name
933698 ALBERTA INC.
GENCO PLACE PROPERTIES LTD.
1019185 ALBERTA INC.
GENCO DEVELOPMENT CORPORATION
GDC (120 ACRES) LTD.
GDC (TUSCANY) LTD.
GDC (EDMONTON) LTD.
GDC (GP) LTD.
GENCO (TUSCANY) LTD.
GDC (OKOTOKS) LTD.
1686108 ALBERTA LTD.
GENCO (COPPERPOND) LTD.
GENCO (SHEPARD) LTD.
GENCO (WEST EDMONTON) LTD.

GENCO (WALDEN) LTD.
GENCO (1108) LTD.

Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
INFINITY ON ELEVENTH	TN19129717

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2019	2018/12/18

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2000/01/28	Incorporate Alberta Corporation
2002/03/02	Status Changed to Start for Failure to File Annual Returns
2005/01/17	Capture Microfilm/Electronic Attachments
2005/06/07	Change Address
2016/01/05	Change Director / Shareholder
2018/12/18	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2000/01/28
Other Rules or Provisions	ELECTRONIC	2000/01/28
Amended Annual Return	10000104100410847	2005/01/17

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.

CORPORATIONS

This is Exhibit "B" referred to
in the Affidavit of Stephen Davies
Sworn before me this 25th day of March, 2019

Notary Public
In and for the Province of Ontario

Lawrence A. Elliot

Government of Alberta ■

Corporation/Non-Profit Search
Corporate Registration System

Date of Search: 2019/03/22
Time of Search: 01:08 PM
Search provided by: BORDEN LADNER GERVAIS LLP

Service Request Number: 30704894
Customer Reference Number: 562354-06

Corporate Access Number: 2018554010
Legal Entity Name: GENCO (WALDEN) LTD.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2014/10/21 YYYY/MM/DD

Registered Office:
Street: 1400, 707 - 7 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6

Records Address:
Street: 1400, 707 - 7 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6

Directors:

Last Name: BEDI
First Name: PALI
Street/Box Number: 980 - 101 STREET S.W.
City: CALGARY
Province: ALBERTA

Postal Code: T3H 3Z5

Last Name: HANS
First Name: JASBIR
Middle Name: SINGH
Street/Box Number: 11 KINGS ROAD
City: ROCKYVIEW COUNTY
Province: ALBERTA
Postal Code: T1Z 0A2

Last Name: TATLA
First Name: TARLOK
Middle Name: SINGH
Street/Box Number: 11 DEL RAY CRESCENT NE
City: CALGARY
Province: ALBERTA
Postal Code: T1Y 6V8

Voting Shareholders:

Legal Entity Name: GENCO HOLDINGS LTD.
Corporate Access Number: 208641183
Street: 1400, 707 - 7 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE "A"

Share Transfers Restrictions: NO SHARES IN THE CAPITAL OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE EXPRESS CONSENT OF A MAJORITY OF THE BOARD OF DIRECTORS TO BE SIGNIFIED BY A RESOLUTION OF THE BOARD OF DIRECTORS.

Min Number Of Directors: 1

Max Number Of Directors: 9

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: SEE ATTACHED SCHEDULE "B"

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2017	2018/01/09

Outstanding Returns:

Annual returns are outstanding for the 2018 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2014/10/21	Incorporate Alberta Corporation
2016/07/19	Change Director / Shareholder
2018/01/09	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2014/10/21
Other Rules or Provisions	ELECTRONIC	2014/10/21

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.

REGISTRAR OF

CORPORATIONS

This is Exhibit “C” referred to
in the Affidavit of Stephen Davies
Sworn before me this 25th day of March, 2019

Notary Public
In and for the Province of Ontario

Lawrence A. Elliot

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

Date of Search: 2019/03/22
Time of Search: 01:12 PM
Search provided by: BORDEN LADNER GERVAIS LLP

Service Request Number: 30704958
Customer Reference Number: 562354.06

Corporate Access Number: 2011438294
Legal Entity Name: SOLO LIQUOR HOLDINGS LTD.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2004/12/21 YYYY/MM/DD

Registered Office:
Street: #1400, 707 - 7TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6

Records Address:
Street: #1400, 707 - 7TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6

Directors:

Last Name: BEDI
First Name: PALI
Street/Box Number: 980 - 101 STREET S.W.
City: CALGARY
Province: ALBERTA

Postal Code: T3H 3Z5

Last Name: HANS
First Name: JASBIR
Street/Box Number: 11 KINGS ROAD
City: ROCKYVIEW COUNTY
Province: ALBERTA
Postal Code: T1Z 0A2

Last Name: TATLA
First Name: TARLOK
Middle Name: S.
Street/Box Number: 11 DEL RAY CRESCENT N.E.
City: CALGARY
Province: ALBERTA
Postal Code: T2Y 6V8

Voting Shareholders:

Legal Entity Name: JH HOLDINGS LTD.
Corporate Access Number: 2017191103
Street: 1400, 707 - 7 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6
Percent Of Voting Shares: 33.33

Legal Entity Name: PB HOLDINGS LTD.
Corporate Access Number: 2017192663
Street: 1400, 707 - 7 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6
Percent Of Voting Shares: 33.33

Legal Entity Name: TATLA HOLDINGS LTD.
Corporate Access Number: 2017190501
Street: 1400, 707 - 7 AVENUE SW
City: CALGARY
Province: ALBERTA

Postal Code: T2P 3H6
Percent Of Voting Shares: 33.33

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure:	SEE ATTACHED
Share Transfers Restrictions:	NO SHARES IN THE CAPITAL OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE EXPRESS CONSENT OF A MAJORITY OF THE BOARD OF DIRECTORS TO BE SIGNIFIED BY A RESOLUTION OF THE BOARD OF DIRECTORS.
Min Number Of Directors:	1
Max Number Of Directors:	9
Business Restricted To:	NONE
Business Restricted From:	NONE
Other Provisions:	SEE ATTACHED

Holding Shares In:

Legal Entity Name
SOLO LIQUOR STORE #1 LTD.
SOLO LIQUOR STORE #3 LTD.
SOLO LIQUOR STORE #6 LTD.
SOLO LIQUOR STORE (SOUTHPARK) LTD.
SOLO LIQUOR STORE (GRAND PRAIRIE) LTD.
SOLO LIQUOR STORE (SHERWOOD PARK 1) LTD.
SL COPPERFIELD LTD.
SOLO LIQUOR STORES LTD.
SOLO LIQUOR STORES LTD.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2018	2018/12/18

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2004/12/21	Incorporate Alberta Corporation
2014/10/10	Change Address
2015/01/23	Change Director / Shareholder
2018/12/18	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2004/12/21
Other Rules or Provisions	ELECTRONIC	2004/12/21

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.

REGISTRAR OF CORPORATIONS

This is Exhibit "D" referred to
in the Affidavit of Stephen Davies
Sworn before me this 25th day of March, 2019

Notary Public
In and for the Province of Ontario

Lawrence A. Elliot

Government of Alberta

Corporation/Non-Profit Search
Corporate Registration System

Date of Search: 2019/03/22
Time of Search: 01:14 PM
Search provided by: BORDEN LADNER GERVAIS LLP

Service Request Number: 30705006
Customer Reference Number: 562354.06

Corporate Access Number: 2018642047
Legal Entity Name: SOLO LIQUOR STORES LTD.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
SOLO LIQUOR HOLDINGS (2) LTD.	2017/12/29

Legal Entity Status: Amalgamated
Alberta Corporation Type: Named Alberta Corporation
Amalgamation Date: 2018/01/01 YYYY/MM/DD
Registration Date: 2014/12/03 YYYY/MM/DD

Registered Office:
Street: 1400, 707 - 7 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6

Records Address:
Street: 1400, 707 - 7 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6

Directors:

Last Name: BEDI
First Name: PALI
Street/Box Number: 980 - 101 STREET S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T3H 3Z5

Last Name: HANS
First Name: JASBIR
Middle Name: SINGH
Street/Box Number: 11 KINGS ROAD
City: ROCKYVIEW COUNTY
Province: ALBERTA
Postal Code: T1Z 0A2

Last Name: TATLA
First Name: TARLOK
Middle Name: SINGH
Street/Box Number: 11 DEL RAY CRESCENT N.E.
City: CALGARY
Province: ALBERTA
Postal Code: T1Y 6V8

Voting Shareholders:

Legal Entity Name: SOLO LIQUOR HOLDINGS LTD.
Corporate Access Number: 2011438294
Street: 1400, 707 - 7 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

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

Holding Shares In:

Legal Entity Name
SOLO LIQUOR STORE #7 LTD.
SOLO LIQUOR STORE #4 LTD.
SOLO LIQUOR STORE #8 LTD.
SOLO LIQUOR STORE (PANORAMA) LTD.
SOLO LIQUOR STORE #1 LTD.
SOLO LIQUOR STORE #3 LTD.
SOLO LIQUOR STORE (ST. ALBERT) LTD.
SOLO LIQUOR STORE (COPPERFIELD) LTD.
SOLO LIQUOR STORE (BANKVIEW) LTD.
SOLO LIQUOR STORE (STONY PLAIN) LTD.
SOLO LIQUOR STORE (SPRUCE GROVE) LTD.
SOLO LIQUOR STORE (RED DEER) LTD.
SOLO LIQUOR STORE (BEAUMONT) LTD.
SOLO LIQUOR STORE (MILLWOOD) LTD.
SOLO LIQUOR STORE (HANSON RANCH) LTD.
SOLO LIQUOR STORE (LLOYDMINSTER) LTD.
SOLO LIQUOR STORE (COPPERPOND) LTD.
SOLO LIQUOR STORE (CROWFOOT) LTD.
SOLO LIQUOR STORE (MONTREUX) LTD.
SOLO LIQUOR STORE (LEDUC) LTD.
SOLO LIQUOR STORE (NORTH ST. ALBERT) LTD.

SOLO LIQUOR STORE (OKOTOKS) LTD.
SOLO LIQUOR STORE (BEACON HILL) LTD.
SOLO LIQUOR STORE (TUSCANY) LTD.
SOLO LIQUOR STORE (WEST POINT) LTD.
SOLO LIQUOR STORE (BROOKS) LTD.
SOLO LIQUOR STORE (FORT MCMURRAY) LTD.
SOLO LIQUOR STORE (CAMROSE) LTD.
SOLO LIQUOR STORE (CREEKWOOD) LTD.
SOLO LIQUOR STORE (HAWTHORNE) LTD.
SOLO LIQUOR STORE (WESTBROOK) LTD.
SOLO LIQUOR STORE (NORTH RED DEER) LTD.
SOLO LIQUOR STORE (NORTH LETHBRIDGE) LTD.
SOLO LIQUOR STORE (VERMILION) LTD.
SOLO LIQUOR STORE (GP TWO) LTD.
SOLO LIQUOR STORE (MARKET SQUARE) LTD.
SOLO LIQUOR STORE (KINGSWAY MEWS) LTD.
SOLO LIQUOR STORE (FISH CREEK) LTD.
SOLO LIQUOR STORE (SUNWAPTA) LTD.
SOLO LIQUOR STORE (MEDICINE HAT) LTD.
SOLO LIQUOR STORE (CY BECKER) LTD.
SOLO LIQUOR STORE (DRAYTON VALLEY) LTD.
SOLO LIQUOR STORE (SALISBURY) LTD.
SOLO LIQUOR STORE (COCHRANE) LTD.
SOLO LIQUOR STORE (CENTURY ROAD) LTD.
SOLO LIQUOR STORE (OLDS) LTD.
SOLO LIQUOR STORE (WETASKIWIN) LTD.
SOLO LIQUOR STORE (ORCHARDS GATE) LTD.
SOLO LIQUOR STORE (CAPILANO) LTD.
SOLO LIQUOR STORE (NORTH HAVEN) LTD.
SOLO LIQUOR STORE (WHITECOURT 1) LTD.
SOLO LIQUOR STORE (COLD LAKE) LTD.
SOLO LIQUOR STORE (AVIATION CROSSING) LTD.
SOLO LIQUOR STORE (SYLVAN LAKE) LTD.
SOLO LIQUOR STORE (BONNYVILLE) LTD.
SOLO LIQUOR STORE (HINTON) LTD.
SOLO LIQUOR STORE (SADDLEBROOK) LTD.
SOLO LIQUOR STORE (MAYFAIR) LTD.
SOLO LIQUOR STORE (SOUTHVIEW) LTD.

SOLO LIQUOR STORE (WALDEN) LTD.
SOLO LIQUOR STORE (THICKWOOD) LTD.
SOLO LIQUOR STORE (AMBLESIDE) LTD.
SOLO LIQUOR STORE (HORIZON) LTD.
SOLO LIQUOR STORE (SOUTHPARK) LTD.
SOLO LIQUOR STORE (GRAND PRAIRIE) LTD.
SOLO LIQUOR STORE (SHERWOOD PARK 1) LTD.
SOLO LIQUOR STORE (MILLCREEK) LTD.
SOLO LIQUOR STORE (CHESTERMERE) LTD.
SOLO LIQUOR STORE (GP3) LTD.

Other Information:

Amalgamation Successor:

Corporate Access Number	Legal Entity Name
2020862690	SOLO LIQUOR STORES LTD.

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2017	2017/12/20

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2014/12/03	Incorporate Alberta Corporation
2017/12/20	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2017/12/29	Name Change Alberta Corporation
2018/01/01	Amalgamate Alberta Corporation

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Other Rules or Provisions	ELECTRONIC	2014/12/03

Share Structure	ELECTRONIC	2014/12/03

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.

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

Date of Search: 2019/03/23
Time of Search: 02:31 PM
Search provided by: BORDEN LADNER GERVAIS LLP

Service Request Number: 30708843
Customer Reference Number: 562354.06

Corporate Access Number: 2020862690
Legal Entity Name: SOLO LIQUOR STORES LTD.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Amalgamation
Registration Date: 2018/01/01 YYYY/MM/DD

Registered Office:
Street: 1400, 707 - 7 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6

Records Address:
Street: 1400, 707 - 7 AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3H6

Directors:

Last Name: BEDI
First Name: PALI
Street/Box Number: 980 - 101 STREET S.W.
City: CALGARY

Province:	ALBERTA
Postal Code:	T3H 3Z5

Last Name:	HANS
First Name:	JASBIR
Middle Name:	SINGH
Street/Box Number:	11 KINGS ROAD
City:	ROCKY VIEW COUNTY
Province:	ALBERTA
Postal Code:	T1Z 0A2

Last Name:	TATLA
First Name:	TARLOK
Middle Name:	SINGH
Street/Box Number:	11 DEL RAY CRESCENT N.E.
City:	CALGARY
Province:	ALBERTA
Postal Code:	T1Y 6V8

Voting Shareholders:

Legal Entity Name:	SOLO LIQUOR HOLDINGS LTD.
Corporate Access Number:	2011438294
Street:	1400, 707 - 7 AVENUE S.W.
City:	CALGARY
Province:	ALBERTA
Postal Code:	T2P 3H6
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 IN THE CAPITAL OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE EXPRESS CONSENT OF A MAJORITY OF THE BOARD OF DIRECTORS TO BE SIGNIFIED BY A RESOLUTION OF THE BOARD OF DIRECTORS.

1

Min Number Of Directors:	
Max Number Of Directors:	9
Business Restricted To:	NONE
Business Restricted From:	NONE
Other Provisions:	SEE SCHEDULE "B" ATTACHED

Other Information:

Amalgamation Predecessors:

Corporate Access Number	Legal Entity Name
2012901365	SOLO LIQUOR STORE #1 LTD.
2014172841	SOLO LIQUOR STORE #3 LTD.
209548882	SOLO LIQUOR STORE #4 LTD.
209168467	SOLO LIQUOR STORE #7 LTD.
2010792824	SOLO LIQUOR STORE #8 LTD.
2020023962	SOLO LIQUOR STORE (AMBLESIDE) LTD.
2019665856	SOLO LIQUOR STORE (AVIATION CROSSING) LTD.
2015303536	SOLO LIQUOR STORE (BANKVIEW) LTD.
2018143186	SOLO LIQUOR STORE (BEACON HILL) LTD.
2016107282	SOLO LIQUOR STORE (BEAUMONT) LTD.
2019704960	SOLO LIQUOR STORE (BONNYVILLE) LTD.
2018603411	SOLO LIQUOR STORE (BROOKS) LTD.
2018642476	SOLO LIQUOR STORE (CAMROSE) LTD.
2019436852	SOLO LIQUOR STORE (CAPILANO) LTD.
2019235759	SOLO LIQUOR STORE (CENTURY ROAD) LTD.
2020711624	SOLO LIQUOR STORE (CHESTERMERE) LTD.
2019221957	SOLO LIQUOR STORE (COCHRANE) LTD.
2019665773	SOLO LIQUOR STORE (COLD LAKE) LTD.
2014546945	SOLO LIQUOR STORE (COPPERFIELD) LTD.
2017304912	SOLO LIQUOR STORE (COPPERPOND) LTD.
2018642864	SOLO LIQUOR STORE (CREEKWOOD) LTD.
2017341476	SOLO LIQUOR STORE (CROWFOOT) LTD.

2019153424	SOLO LIQUOR STORE (CY BECKER) LTD.
2019221585	SOLO LIQUOR STORE (DRAYTON VALLEY) LTD.
2019090352	SOLO LIQUOR STORE (FISH CREEK) LTD.
2018603528	SOLO LIQUOR STORE (FORT MCMURRAY) LTD.
2018950382	SOLO LIQUOR STORE (GP TWO) LTD.
2020749541	SOLO LIQUOR STORE (GP3) LTD.
2020634479	SOLO LIQUOR STORE (GRAND PRAIRIE) LTD.
2016463404	SOLO LIQUOR STORE (HANSON RANCH) LTD.
2018643052	SOLO LIQUOR STORE (HAWTHORNE) LTD.
2019731179	SOLO LIQUOR STORE (HINTON) LTD.
2020080848	SOLO LIQUOR STORE (HORIZON) LTD.
2018951158	SOLO LIQUOR STORE (KINGSWAY MEWS) LTD.
2017364874	SOLO LIQUOR STORE (LEDUC) LTD.
2016779593	SOLO LIQUOR STORE (LLOYDMINSTER) LTD.
2018950515	SOLO LIQUOR STORE (MARKET SQUARE) LTD.
2019806971	SOLO LIQUOR STORE (MAYFAIR) LTD.
2019127162	SOLO LIQUOR STORE (MEDICINE HAT) LTD.
2020650855	SOLO LIQUOR STORE (MILLCREEK) LTD.
2016303246	SOLO LIQUOR STORE (MILLWOOD) LTD.
2017364791	SOLO LIQUOR STORE (MONTREUX) LTD.
2019627021	SOLO LIQUOR STORE (NORTH HAVEN) LTD.
2018824868	SOLO LIQUOR STORE (NORTH LETHBRIDGE) LTD.
2018814984	SOLO LIQUOR STORE (NORTH RED DEER) LTD.
2017378874	SOLO LIQUOR STORE (NORTH ST. ALBERT) LTD.
2017599990	SOLO LIQUOR STORE (OKOTOKS) LTD.
2019340484	SOLO LIQUOR STORE (OLDS) LTD.
2019422944	SOLO LIQUOR STORE (ORCHARDS GATE) LTD.
2011774227	SOLO LIQUOR STORE (PANORAMA) LTD.
2015879055	SOLO LIQUOR STORE (RED DEER) LTD.
2019806955	SOLO LIQUOR STORE (SADDLEBROOK) LTD.
2019221882	SOLO LIQUOR STORE (SALISBURY) LTD.
2020634560	SOLO LIQUOR STORE (SHERWOOD PARK 1) LTD.
2020634362	SOLO LIQUOR STORE (SOUTHPARK) LTD.
2019876057	SOLO LIQUOR STORE (SOUTHVIEW) LTD.
2015525369	SOLO LIQUOR STORE (SPRUCE GROVE) LTD.
2014546804	SOLO LIQUOR STORE (ST. ALBERT) LTD.
2015525021	SOLO LIQUOR STORE (STONY PLAIN) LTD.
2019097365	SOLO LIQUOR STORE (SUNWAPTA) LTD.

2019675764	SOLO LIQUOR STORE (SYLVAN LAKE) LTD.
2019994884	SOLO LIQUOR STORE (THICKWOOD) LTD.
2018282349	SOLO LIQUOR STORE (TUSCANY) LTD.
2018870945	SOLO LIQUOR STORE (VERMILION) LTD.
2019970215	SOLO LIQUOR STORE (WALDEN) LTD.
2018392916	SOLO LIQUOR STORE (WEST POINT) LTD.
2018643169	SOLO LIQUOR STORE (WESTBROOK) LTD.
2019340641	SOLO LIQUOR STORE (WETASKIWIN) LTD.
2019629357	SOLO LIQUOR STORE (WHITECOURT 1) LTD.
2018642047	SOLO LIQUOR STORES LTD.

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2019	2018/12/18

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2018/01/01	Amalgamate Alberta Corporation
2018/12/18	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Statutory Declaration	10000107126050737	2018/01/01
Share Structure	ELECTRONIC	2018/01/01
Other Rules or Provisions	ELECTRONIC	2018/01/01

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 "E" referred to
in the Affidavit of Stephen Davies
Sworn before me this 25th day of March, 2019

Notary Public
In and for the Province of Ontario

Lawrence A. Elliott

CREDIT AGREEMENT

Made as of the 22nd day of December, 2017

Between

Genco (Walden) Ltd.
and
Genco Holdings Ltd.
(collectively, the "**Borrower**")

and

Maynbridge Capital Inc.
(or another affiliate designated by Maynbridge Capital before the initial Advance Date) (the "**Lender**")

and

Pali Bedi
Tarlok Tatla
Jasbir Hans
(the "**Personal Guarantors**")

and

Solo Liquor Holdings Ltd.
Solo Liquor Holdings (2) Ltd.
(the "**Corporate Guarantors**")

CREDIT AGREEMENT

This Credit Agreement entered into as of the 22nd day of December, 2017.

AMONG:	**GENCO (WALDEN) LTD.**, a corporation duly formed under the laws of the Province of Alberta having an office at Ste. 1100, 634 6 Ave. SW, Calgary, Alberta, T2P 0S4
	(the "**Walden**")
	and
	GENCO HOLDINGS LTD., a corporation duly formed under the laws of the Province of Alberta having an office at Ste. 1100, 634 6 Ave. SW, Calgary, Alberta, T2P 0S4
	("**Holdings**", and collectively with Walden, the "**Borrower**")
AND:	**MAYNBRIDGE CAPITAL INC.**, a corporation duly registered pursuant to the *Business Corporations Act* (British Columbia) having its registered office at 595 Howe Street, 10th Floor, in the City of Vancouver, Province of British Columbia, V6C 2T5 and its principal place of business at 1111 West Hastings Street, Suite 388, in the City of Vancouver, Province of British Columbia, V6E 2J3
	(the "**Lender**")
AND:	**PALI BEDI**, having an office at Ste. 1100, 634 6 Ave. SW, Calgary, Alberta, T2P 0S4
	(the "**Bedi**")
AND:	**TARLOK TATLA**, having an office at Ste. 1100, 634 6 Ave. SW, Calgary, Alberta, T2P 0S4
	(the "**Tatla**")
AND:	**JASBIR HANS**, having an office at Ste. 1100, 634 6 Ave. SW, Calgary, Alberta, T2P 0S4

(the "**Hans**", and collectively with Bedi and Tatla, the "**Personal Guarantors**")

AND: **SOLO LIQUOR HOLDINGS LTD.**, a corporation duly formed under the laws of the Province of Alberta having an office at Ste. 1100, 634 6 Ave. SW, Calgary, Alberta, T2P 0S4

("**SLH**")

AND: **SOLO LIQUOR HOLDINGS (2) LTD.**, a corporation duly formed under the laws of the Province of Alberta having an office at Ste. 1100, 634 6 Ave. SW, Calgary, Alberta, T2P 0S4

("**SLH2**", and collectively with SLH, the "**Corporate Guarantors**")

WITNESSETH WHEREAS:

A. the Borrower wishes to borrow monies from the Lender and the Lender agrees to lend such monies to the Borrower on the terms and conditions hereinafter set forth; and

B. the Borrower is the owner of the Secured Property (hereinafter defined) and holds all appropriate permits and licences;

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties have agreed as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless it is apparent from or inconsistent with the context, the following words and expressions in this Agreement have the respective meanings ascribed thereto:

"**Advance**" means the advance of the Loan hereunder;

"**Advance Date**" means the date on which the Advance of the Loan is made hereunder;

"**Agreement**"; "**Credit Agreement**", "**Credit Facility Agreement**", "**this Agreement**" and "**this Credit Agreement**", "**these present**", "**herein**", "**hereunder**", "**hereof**" and similar expressions mean this Agreement, including its Schedules, as the same may be amended, modified, supplemented or restated from time to time;

"**Business Day**" means any day other than Saturday, Sunday and any other day which, in Calgary, Alberta is a legal holiday or day on which commercial banks in Calgary, Alberta are required or authorized by law or by local regulation to close;

"**Commitment Fee**" has the meaning ascribed to it in Article 7;

"**Direction to Pay**" means the Direction to Pay executed by the Borrower in favour of the Lender confirming the disbursement of the Loan and the amounts thereof;

"**Existing First Mortgages**" means the Mortgage and Assignment of Rents charging the Real Property together with such other loan and security documents granted to the Alberta Treasury Branch or HSBC Bank Canada;

"**Genco 608 Lands**" has the meaning ascribed to it in **Schedule A**;

"**Good Faith Deposit**" has the meaning ascribed to it in Article 7;

"**Guarantors**" means the Personal Guarantors and the Corporate Guarantors;

"**Interest Rate**" has the meaning ascribed to it in Section 5.1;

"**Loan**" has the meaning ascribed to it in Section 2.1;

"**Material Adverse Effect**" means any event, occurrence, condition, change in facts or other change or effect which results or could reasonably be expected to be materially adverse to any of: the Borrower or the Guarantor, their financial condition, business or business prospects, operations or results of operation or to any material asset (including without limitation any material contract) or which, in the reasonable opinion of the Lender, affects or would affect the ability of the Borrower to pay or refinance, when due, amounts payable under this Agreement or the Security Documents;

"**Maturity Date**" means the date that is 24 months after the Advance Date;

"**Second Mortgage**" means the mortgage in favour of Bolero [NTD: full name] registered against title to the Genco 608 Lands;

"**Secured Property**" means the Real Property and/or all personal property of the Borrower in which the Lender shall obtain a security interest in pursuant to the terms of this Agreement;

"**Security Documents**" has the meaning ascribed to it in Article 8;

"**Real Property**" means the real properties legally described on Schedule "A" attached hereto;

"**Term**" has the meaning ascribed to it in Section 2.1;

"**Walden Landing Lands**" has the meaning ascribed to it in **Schedule A**;

1.2 Headings

The index to and the headings in this Agreement and the table of contents are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

ARTICLE 2
AMOUNT OF THE CREDIT AND PURPOSE

2.1 Amount of Credit

The Lender agrees to make available to the Borrower a term facility in the maximum principal amount equal to CDN$18,000,000 (the "**Loan**") to be disbursed in accordance with the provisions of Article 3 for a term (the "**Term**") ending on the earlier of (i) the Maturity Date, and (ii) termination, at the Lender's option, upon the occurrence of an Event of Default.

2.2 Purpose of the Loan

The Loan shall be used by the Borrower as follows:

(a) To refinance and payout in full the Existing First Mortgages;

(b) To pay all fees owing to the Lender hereunder;

(c) to pay the legal fees and expenses of the legal counsel of the Lender, Borden Ladner Gervais LLP, for the preparation of this Agreement, the Security Documents, all documents related thereto, the due diligence related thereto and all of their work in connection with the Loan;

(d) to make a partial payment to the lender of the Second Mortgage to obtain a discharge of the Second Mortgage from title to the Real Property; and

(e) to provide the Borrower with additional liquidity to be used for future real estate investments.

ARTICLE 3
AVAILABILITY

3.1 Advance of Loan

The Loan shall be Advanced to the Borrower, upon written request of the Borrower, following satisfaction of the conditions precedent set out in Article 9 to the satisfaction of the Lender provided such date is no later than December 31, 2017.

ARTICLE 4
<u>NON-REVOLVING NATURE OF THE LOAN</u>

Any amount repaid by the Borrower under the Loan will constitute a permanent repayment and may not be borrowed again by the Borrower.

ARTICLE 5
<u>INTEREST AND PAYMENTS</u>

5.1 <u>Interest</u>

The interest rate applicable to the Loan and the amounts thereof outstanding from time to time under the Loan is as follows:

(a) The Loan bears interest at an annual rate of 10.00% per annum (the "**Interest Rate**") and any amounts not paid hereunder when due shall accrue interest at an annual rate of eighteen percent (18.00%) per annum (the "**Default Interest Rate**") and shall compound monthly.

(b) The interest shall accrue from day to day at the Interest Rate on the Loan from the Advance Date. Interest will be calculated in arrears based on the actual numbers of days elapsed from the Advance Date to the next monthly interest payment date divided by Three Hundred and Sixty-Five (365) days. Thereafter, interest will be calculated in arrears based on the actual number of days elapsed from the last interest payment date to the next interest payment divided by Three Hundred and Sixty-Five (365) days. Interest shall be payable monthly in arrears on the first Business Day of each month by electronic fund transfer to the Lender, commencing on January 1, 2018, until the outstanding amount of the Loan is entirely paid to the Lender.

5.2 <u>Interest on overdue amounts</u>

At any time, upon default in the payment of principal or interest or any other amount due under this Agreement, the Borrower shall pay interest on such overdue amount at the Default Interest Rate. Interest as aforesaid shall be payable on demand and shall be calculated as provided in Section 5.1 from the date such amount becomes due and payable and for as long as such amount remains unpaid. All interest provided in this Agreement shall be payable both before and after maturity, default and judgement and for so long as such amount remains unpaid.

5.3 <u>No compensation or right to set off</u>

The Borrower shall make all payments pursuant to this Agreement without set-off, compensation or counterclaim, free and clear and exempt from and without deduction for or on account of any tax or other impositions.

ARTICLE 6
MATURITY DATE

6.1 **Maturity Date**

The Borrower shall repay the outstanding principal balance of the Loan and all other amounts due and owing to the Lender, including all accrued but unpaid interest thereon, on the Maturity Date or such earlier date as specified herein.

6.2 **No Prepayments**

The Borrower shall have the right to prepay all amounts owing on the Loan with 3 months prior written notice, provided that in the event that such prepayment occurs before the date that is 15 months after the Advance Date (the "**Minimum Interest Date**"), the Borrower shall also concurrently remit a prepayment fee in an amount equal to the interest that would have otherwise accrued on the prepayment amount, at the Interest Rate, for the period from the date of receipt of the prepayment amount to the Minimum Interest Date.

6.3 **Permitted Prepayment**

In the event that the Borrower redevelops the Genco 608 Lands and obtains construction financing that finances the development and construction costs of the Genco 608 Lands, the Borrower may, notwithstanding Section 6.2, prepay the principal amount of $6,000,000 of the Loan (the "**Permitted Prepayment**"), and the Lender shall, upon receipt of the Permitted Prepayment, discharge its security against the Genco 608 Lands and the personal property located thereon.

ARTICLE 7
COMMITMENT FEES

The Borrower shall pay a one-time commitment fee in the amount of 1.5% of the Loan being the amount of $270,000 (the "**Commitment Fee**"). Of this Commitment Fee, $25,000 was paid in advance to the Lender on acceptance of the Term Sheet ("**Good Faith Deposit**") and will be credited towards the Commitment Fee due and payable on the Advance Date.

ARTICLE 8
SECURITY

8.1 **Security Documents**

The following (the "**Security Documents**") shall be granted in form and substance satisfactory to the Lender and its legal counsel in order to secure all of the obligations of the Borrower hereunder and under the said Security Documents, including the repayment of the Loan:

(a) a general security agreement granting to the Lender a security interest in all present and after-acquired personal property of the Borrower and an uncrystallised floating charge on land, which security shall constitute a first ranking security interest in the personal property located on, relating to, or used in connection with the Real Property;

(b) a continuing collateral mortgage granting to the Lender a first mortgage and charge on the Real Property in the principal amount of $18,000,000;

(c) a general assignments of leases and rents in respect of the Real Property;

(d) an assignment of insurance in respect of all policies of insurance for the Secured Property;

(e) an unlimited joint and several guarantee from the Guarantors, which shall be valid until full repayment of the Loan, including all principal, interests, costs and accessories;

(f) an environmental indemnity agreement provided by the Borrower in respect of the Real Property;

(g) a Lender's Title insurance policy in the full amount of the Loan in respect of the Real Property;

(h) such priority agreements as may be required to provide the Lender with the security noted herein; and

(i) such other security and documentation as the Lender may reasonably require.

ARTICLE 9
CONDITIONS PRECEDENT TO THE DISBURSEMENT OF THE LOAN

9.1 Conditions Precedent

The Advance of the Loan shall be subject to the fulfilment and satisfaction of the following conditions precedent, all of which must be in form and substance satisfactory to the Lender and its legal counsel:

(a) the execution, delivery and registration and publication, as the case may be, of this Agreement, the Security Documents and any ancillary documentation which is required to perfect a first charge mortgage and security interest in favour of the Lender over the Secured Property;

(b) the receipt by Lender from Borrower of written confirmation that Borrower has secured adequate insurance coverage as set out herein;

(c) the delivery of a favourable opinion from counsel to the Borrower in respect, inter alia, of the due organization and constitution of the Borrower, its power and authority to enter into the transactions contemplated herein, and that the execution of this Agreement and the Security Documents have been duly authorized by the Borrower as well as of the legality, validity and binding nature of the obligations thereunder;

(d) the delivery and satisfactory review by the Lender of evidence that all real estate taxes affecting the Real Property have been paid in full;

(e) the delivery and satisfactory review by the Lender of evidence that all taxes, rates, assessments and charges levied or imposed against the Secured Property or the Borrower or its business, including all utilities and other amounts capable of forming a charge against the Secured Property, other than amounts that are not yet due and payable, have been paid in full;

(f) the delivery and satisfactory review by the Lender of evidence that all Federal and Provincial corporate taxes are up to date;

(g) the Lender shall have received and be satisfied with all documentation and information as the Lender may require in connection with its "know your client" and anti-money laundering requirements;

(h) the delivery and satisfactory review by the Lender and its counsel of a Phase 1 Environmental Review (in addition to any other commissioned environmental reports) on the Real Property;

(i) the delivery and satisfactory review by the Lender and its counsel of property appraisals supporting a minimum aggregate fair market as-is value of at least CDN$17,600,000 for the Walden Landing Lands together with a transmittal letter to the Lender;

(j) the delivery and satisfactory review by the Lender and its counsel of property appraisals supporting a minimum aggregate fair market as-is value of at least CDN$7,600,000 for the Genco 608 Lands together with a transmittal letter to the Lender;

(k) the Lender shall have conducted and be satisfied with a site inspection of the Real Property;

(l) the delivery and satisfactory review of a rent roll report for the Walden Landing Lands;

(m) receipt and satisfactory review of all tenant leases for the Walden Landing Lands confirming that no less than 26,852 square feet has been leased generating base rents of no less than $915,116, together with tenant estoppels from the tenants of the Walden Landing Lands;

(n) receipt and satisfactory review of the July 2, 2017 operating statement for Walden Landing Lands;

(o) receipt and satisfactory review of a forward looking pro-forma statement for the Walden Landing Lands;

(p) receipt and satisfactory review of a the development pro-forma for the Genco 608 Lands, inclusive of the project's final value, a timeline to development inclusive of major development milestones, a detailed line-item construction budget, inclusive of an estimate of the Genco 608 Lands property value on a re-zoned basis, net of any CACs, and any anticipated environmental remediation costs;

(q) payment of all fees and expenses of the Lender including all fees and disbursements of the Lender's legal counsel;

(r) the delivery and satisfactory review of a personal net worth statement for each of the Personal Guarantors, inclusive of annual income and expense amounts;

(s) a current certified survey of the Real Property by a registered public surveyor prepared and certified in accordance with the Lender's survey requirements;

(t) delivery and satisfactory review of:

  (i) an organization chart of the Borrower and the Corporate Guarantors confirming the ownership of the Borrower and the Corporate Guarantors and the legal and beneficial ownership of the Secured Property;

  (ii) financial statements for the Borrower for the preceding three years;

  (iii) a property portfolio summary of all assets under the beneficial ownership of the Borrower and the Guarantors, including the fair market value of the assets, debts at the property level, net operating income at the property level, and property level free cash flow; and

  (iv) All other financial or corporate information concerning the Borrower or the Guarantors as the Lender may request;

(u) the delivery of an officer certificate by one of the Borrower's officers confirming that the representations and warranties made by the Borrower are still true and correct in all material respect;

(v) no Event of Default shall have occurred and be continuing and, to the knowledge of the Borrower, no circumstances shall exist which, with the giving of notice, lapse of time or both, would constitute an Event of Default;

(w) no situation that has a Material Adverse Effect has occurred and is continuing; and

(x) completion by Lender of all business, financial, legal and environmental due diligence with respect to the Borrower and Guarantor.