



BDCID : 10007510318

## GUARANTEE

**GUARANTOR:**            **GLENN MAXWELL BURRY**            the "Guarantor"

**CREDITOR:**            **Business Development Bank of Canada**            "BDC"

**DEBTOR:**            **NORCON MARINE SERVICES LTD.**            the "Borrower"

**DEBT:**            **\$500,000.00**            the "Principal Sum"

**LIMIT OF LIABILITY:**    **25% of the Outstanding Balance on the date**  
                                 **BDC demands payment under this**  
                                 **guarantee**            the "Limited Amount"

**DATED:**            March 15            2017

**BUSINESS CENTRE:**    **NEWFOUNDLAND AND LABRADOR**            the "Governing Jurisdiction"

(f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC.

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

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

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

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

#### **5. SUBROGATION**

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

#### **6. RELEASE**

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

#### **7. PAYMENT AND REMEDYING DEFAULTS**

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

#### **8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS**

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

#### **9. CHANGES MUST BE IN WRITING**

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

10. **JOINT AND SEVERAL LIABILITY**

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

11. **JURISDICTION**

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

12. **ASSIGNS**

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

13. **COUNTERPARTS**

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

14. **WAIVER**

I ACKNOWLEDGE AND CONFIRM THAT I HAVE READ AND UNDERSTOOD THE NATURE OF AND ALL CONSEQUENCES ASSOCIATED WITH THE EXECUTION AND DELIVERY OF THE GUARANTEE DOCUMENT GRANTED BY ME TO AND IN FAVOUR OF BDC, WITH RESPECT TO THE LOAN. I FURTHER ACKNOWLEDGE AND CONFIRM THAT I HAVE EITHER OBTAINED INDEPENDENT LEGAL ADVICE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE GUARANTEE OR VOLUNTARILY DETERMINED NOT TO SEEK SUCH INDEPENDENT LEGAL ADVICE.

Executed, Signed and Delivered by

  
(Signature)

  
GLENN MAXWELL BURRY

Name of witness: Paul Brown

Address: Elmville, CT 34 Parkside Cir.

Occupation: Postmaster ASA 066



BDCID : 10007518334

## **GUARANTEE**

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**GUARANTOR:**            **SONIA BURRY**                            the "Guarantor"

**CREDITOR:**            **Business Development Bank of Canada**            "BDC"

**DEBTOR:**                **NORCON MARINE SERVICES LTD.**                            the "Borrower"

**DEBT:**                    **\$500,000.00**    the "Principal Sum"

**LIMIT OF LIABILITY:**    **25% of the Outstanding Balance on the date**  
                                 **BDC demands payment under this**  
                                 **guarantee**    the "Limited Amount"

**DATED:**

March 25 , 2017

**BUSINESS CENTRE:**    **NEWFOUNDLAND AND LABRADOR**                            the "Governing Jurisdiction"

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

**1. DEBT AND SECURITY**

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

**2. GUARANTEE**

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

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

**3. LIABILITY AS PRINCIPAL DEBTOR**

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

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

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

- (a) BDC may grant time and other indulgences to the Borrower, to a Guarantor and to any other person liable for all or any portion of the Principal Sum;
- (b) BDC may modify, extend or renew (in either case, on the then current, or on new, terms), exchange, abstain from perfecting, discharge or abandon the Loan Security or any part of it or anything mortgaged or charged by it;
- (c) BDC may enter into any agreement with the Borrower to vary the terms of any agreement affecting the payment or repayment of Principal Sum, including a change in the rate of interest chargeable on the Principal Sum;
- (d) BDC may enter into any agreement or accept any compromise that has the effect of diminishing or extinguishing the liability of the Borrower to BDC or the value of the Loan Security or the value of anything mortgaged by it;
- (e) BDC need not ascertain or enforce compliance by the Borrower or any other person with any covenant under the Loan Security;

(f) BDC bears no responsibility for any neglect or omission with respect to anything mortgaged under the Loan Security, either during possession by the Borrower or by any third party or by BDC or by anyone on behalf of BDC;

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

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

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

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

#### **5. SUBROGATION**

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

#### **6. RELEASE**

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

#### **7. PAYMENT AND REMEDYING DEFAULTS**

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

#### **8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS**

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

#### **9. CHANGES MUST BE IN WRITING**

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

10. **JOINT AND SEVERAL LIABILITY**

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

11. **JURISDICTION**

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

12. **ASSIGNS**

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

13. **COUNTERPARTS**

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

14. **WAIVER**

I ACKNOWLEDGE AND CONFIRM THAT I HAVE READ AND UNDERSTOOD THE NATURE OF AND ALL CONSEQUENCES ASSOCIATED WITH THE EXECUTION AND DELIVERY OF THE GUARANTEE DOCUMENT GRANTED BY ME TO AND IN FAVOUR OF BDC, WITH RESPECT TO THE LOAN. I FURTHER ACKNOWLEDGE AND CONFIRM THAT I HAVE EITHER OBTAINED INDEPENDENT LEGAL ADVICE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE GUARANTEE OR VOLUNTARILY DETERMINED NOT TO SEEK SUCH INDEPENDENT LEGAL ADVICE.

Executed, Sealed and Delivered by

(Witness)

Name of witness: Paul Brown  
Address: 34 Parkside Cr.  
LA Grangeville, MT 59406-0606  
Occupation: Contractor

SONIA BURRY





## GUARANTEE

The Business Development Bank of Canada ("BDC") has agreed to make a loan of \$100,000.00, account number 233518-17 (the "Loan"), to "Norcon Marine Services Ltd." (the "Borrower") according to the terms of the letter of offer dated November 22, 2017 (the "Letter of Offer") and the guaranties hereto to guarantee the obligations of the Borrower under the Loan.

Each party signing below (the "Guarantor") on a joint and several basis unconditionally guarantees payment to BDC of all amounts owing under the Loan together with interest from the date of demand plus fees and costs incurred by BDC in the enforcement of this Guarantee.

This guarantee extends to all future advances and repayments of the Loan.

The Guarantor warrants that there are no agreements, representations and conditions that have been relied upon by the Guarantor that are not expressed in this Guarantee. Furthermore, the Guarantor shall not rely upon any representation made by BDC in respect of the liability of the Guarantor under this Guarantee unless such representation is in writing executed by BDC and no agreement has the effect of diminishing or discharging the liability of the Guarantor under this Guarantee unless the agreement is in writing and executed by BDC.

This obligation to pay will not be reduced or discharged for any reason, including, without limitation:

- The giving of time or other indulgence to the Borrower;
- Changes to the Loan terms and conditions, including changes in the date or amount of repayment terms;
- Amendments or extensions or renewals to the Letter of Offer and this Guarantee;
- Any agreement or compromise that has the effect of diminishing or discharging the liability of the Borrower;
- Any other event, circumstance or fact, including without limitation, any act or omission (whether negligent or otherwise), of BDC or the Borrower, which would, at law or at equity, constitute or give rise to a defence to this Guarantee;
- Failure of BDC to seek recourse against the Borrower;
- The release of any obligation to pay including the obligation of any Guarantor. If more than one person guarantees any of the obligations of the Borrower to BDC under this Guarantee, BDC may release any Guarantor without reducing or discharging the liability of any remaining Guarantor.

The Guarantor's liability under this Guarantee will continue until all liabilities of the Borrower under the Loan are repaid in full. By signing below the Guarantor acknowledges having read and understood this Guarantee and has either obtained independent legal advice in connection with this Guarantee or has voluntarily undertaken not to seek such independent legal advice. This guarantee may be signed in counterparts, each of which shall be deemed an original.

Signed this 24 day of Nov, 2017

Signature of Witness:

Print witness name: Hilcon Brett

Occupation: Office Manager

Address: Clarendville, NC  
Wheslie St, A5A 1J9

Signature of Guarantor:

Hilcon Brett

Signed this 24 day of Nov, 2017

Signature of Witness:

Print witness name: Hilcon Brett

Occupation: Office Manager

Address: Clarendville, NC

Signature of Guarantor:

Hilcon Brett





## **GUARANTEE**

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**THIS GUARANTEE** dated the 6 day of December, 2012.

**GUARANTORS:** **GLENN M. BURRY and SONIA BURRY**, both of Glovertown, in the Province of Newfoundland and Labrador,

the "Guarantors"

**CREDITOR:** **BUSINESS DEVELOPMENT BANK OF CANADA**, with a branch office at 215 Water St., in the City of St. John's, in the Province of Newfoundland and Labrador

the "Bank"

**DEBTOR:** **NORCON MARINE SERVICES LTD.**, a Newfoundland and Labrador corporation

Collectively the "Borrower"

**DEBT:** **TWO MILLION SIX HUNDRED AND NINETY-FIVE THOUSAND DOLLARS (\$2,695,000.00)**

the "Principal Sum"

**LIMIT OF LIABILITY:** **20% of the Outstanding Balance**

the "Limited Amount"

In consideration of the Bank agreeing to make a loan to the Borrower of the Principal Sum, the Guarantor covenants with the Bank as follows:

**1. DEBT AND SECURITY**

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

**2. GUARANTEE**

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

**3. LIABILITY AS PRINCIPAL DEBTOR**

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

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

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

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

and the Loan Security or any part of it at any time, in any manner and in any order as the Bank may choose;

- (h) the Bank bears no duty to the Guarantor in respect of the liquidation of anything mortgaged under the Loan Security and, without restricting the foregoing, it is under no duty to avoid waste of, to obtain a fair price for or to avoid neglect in the liquidation of anything mortgaged under the Loan Security;
- (i) the Bank has no obligation to ensure that any Loan Security, other guarantee or security collateral to a guarantee is executed, perfected or delivered and, if by reason of want of authority or failure of execution and delivery or failure to comply with laws respecting perfection and registration of instruments or any other reason, any intended Loan Security, guarantee or collateral security is not granted, is unenforceable or becomes unenforceable, the liability of the Guarantor under this guarantee remains enforceable and undiminished; and
- (j) The Guarantor confirms and agrees that any modifications of the loan terms or Loan Security may be agreed upon directly between the Bank and the Borrower without notice to the Guarantor and without the Guarantor's further concurrence.

**5. SUBROGATION**

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

**6. RELEASE**

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

**7. PAYMENT AND REMEDYING DEFAULTS**

The Guarantor's obligation to pay the amount guaranteed or to rectify any default shall arise immediately upon receiving demand from BDC. No suit based on this guarantee shall be instituted until such demand for payment has been made, and any limitation period applicable to the enforcement of this guarantee shall commence only upon issuance of such demand for payment. Demand shall be deemed to have been effectively made upon any Guarantor 5 business days after an envelope containing such demand, addressed to such Guarantor at the address last known to BDC, is posted in a post office by pre-paid regular mail. BDC shall not be obliged to exhaust its recourse against the Borrower, other parties, the Loan Security or anything mortgaged under the Loan Security prior to making demand under this Guarantee.

**8. NO COLLATERAL AGREEMENTS OR REPRESENTATIONS**

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

**9. CHANGES MUST BE IN WRITING**

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

**10. JOINT AND SEVERAL LIABILITY**

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

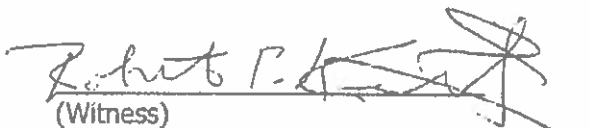
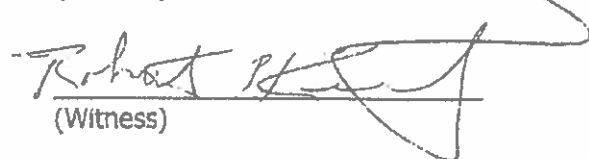
**11. JURISDICTION**



The laws of the province in which the branch of the Bank is located as described on page 1 shall govern the enforcement of this Guarantee.

**12. ASSIGNS**

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

**IN WITNESS WHEREOF** the Guarantors have hereunto set their hand and seal on the day and year first above written.

  
(Witness)  
  
(Witness)

  
GLENN M. BURRY  
  
SONIA BURRY

**SOLICITOR'S CERTIFICATE**

I certify that the persons whose signature appears as Guarantors herein have read and understand this Guarantee and I have ascertained that these persons have received independent legal advice where necessary.

  
Solicitor

Transport  
CanadaTransport  
CanadaPROTECTED A (WHEN COMPLETED)  
FORM 7

## MORTGAGE

FOR DEPARTMENT USE ONLY

Entered as Mortgage 16 in the Registerat 07:51 am/pm04-07-2018Date of registration  
of vesselOfficial number (if assigned)  
840804Name of vessel (if assigned)  
MV Noroon Station

## A - MORTGAGE

Name(s) and address(es) of registered owner(s) (mortgagee(s))  
Noroon Marine Services Ltd.3 Wharf Road  
Gloucester, Newfoundland & Labrador  
A5A 2S2

JUL 04 2018

Description of the nature of consideration (prior to the principal sum or value that there is a line of credit, give details of the interest and period of payment or rate to a certain agreement and give the date the agreement was executed)

To support an amount owed to Business Development Bank of Canada of \$2,777,208.00 as well as interest thereon plus interest thereon as accrued from time to time (the "indebtedness"), pursuant to the Forbearance Agreement and certain other Loans, including a Marine Loan Agreement, and the mutual covenants and agreements contained in the Forbearance Agreement, the Loans, and the Marine Loan Agreement, as any may be amended, restated, supplemented,

Name(s) and address(es) of mortgagee(s)  
Business Development Bank of Canada  
1234 Main Street, 8th Floor, Moncton, New Brunswick E1C 1B7

When the mortgage(s) in consideration of the above now covered with the mortgage(s) is pay to the mortgagee(s) the same for the time being due on this security, whether by way of principal or interest, at the time and in the manner set out. For the purpose of better securing payment to the mortgagee(s), the mortgagee(s) hereby mortgage to the mortgagee(s) 24 shares (number of shares must be indicated) of which the mortgagee(s) are the owner(s).

In the vessel described above, and in its tackle and appurtenances, further, the mortgagee(s) covenant with the mortgagee(s) that the mortgagee(s) have the power to mortgage the shares and that they are free of encumbrance(s) except as appear on the register of the vessel. (delete if not applicable)

## INDIVIDUAL

Signature of mortgagee

Signature of mortgagee

Signature of mortgagee

Signature of mortgagee

Signature of mortgagee

Date Mortgage signed (dd-mm-yyyy)

## 1 - CORPORATION

I GLANN BARRY, PRESIDENT state that I have authority to bindNoroon Marine Services Ltd.  
Name of corporation (Print)I also state that Noroon Marine Services Ltd. is the name of a corporation which legally exists at the date of this Mortgage.

☐ as per the laws of Canada; OR ☒ as per the laws of Newfoundland and Labrador

Name of province/state (Print)

This Mortgage must be signed by any Officer or Director of the corporation who has the authority to bind the corporation. Pursuant to Sections 81(2) and 76.01(2) of the Canada Shipping Act, 2001 applicants may be required to provide additional information as requested by the Chief Registrar.

I understand that it is an offence for a person to knowingly make a false or misleading statement in writing and that the penalty can be a fine or imprisonment or both if found guilty in a court of law (Section 37 of the Canada Shipping Act, 2001).

X Signature of Officer or Director

28-06-2018  
Date Mortgage signed (dd-mm-yyyy)

## 2 - CORPORATION

I \_\_\_\_\_ state that I have authority to bind

Name of corporation (Print)

I also state that \_\_\_\_\_ is the name of a corporation which legally exists at the date of this Mortgage.

☐ as per the laws of Canada; OR ☐ as per the laws of \_\_\_\_\_

Name of province/state (Print)

This Mortgage must be signed by any Officer or Director of the corporation who has the authority to bind the corporation. Pursuant to Sections 81(2) and 76.01(2) of the Canada Shipping Act, 2001 applicants may be required to provide additional information as requested by the Chief Registrar.

I understand that it is an offence for a person to knowingly make a false or misleading statement in writing and that the penalty can be a fine or imprisonment or both if found guilty in a court of law (Section 37 of the Canada Shipping Act, 2001).

Signature of Officer or Director

Date Mortgage signed (dd-mm-yyyy)

## INDIAN BAND

Name of Indian Band (Print)

Signature

Name of person signing above (Print)

Date Mortgage signed (dd-mm-yyyy)

SEAL



Official number (if assigned) <b>840804</b>	Name of vessel (if assigned) <b>MV Maroon Exton</b>	Port of registry <b>ST. JOHN'S NL</b>
<b>B - DISCHARGE OF MORTGAGE</b>		
<b>INDIVIDUAL</b>		
We, the mortgagor(s) authorize the discharge of the mortgage described above.		
_____ Signature of mortgagor	_____ Signature of mortgagor	
_____ Signature of mortgagor	_____ Signature of mortgagor	
_____ Signature of mortgagor	_____ Date Discharge of Mortgage signed (dd-mm-yyyy)	
<b>CORPORATION</b>		
I, _____ state that I have authority to bind _____ Name and title (Print) Maroon Marine Services Ltd. Name of corporation (Print)		
I also state that _____ is the name of a corporation which legally exists at the date of this Mortgage. Name of corporation (Print) Maroon Marine Services Ltd.		
<input type="radio"/> as per the laws of Canada; OR <input checked="" type="radio"/> as per the laws of _____ Name of province/state (Print) Newfoundland and Labrador		
This Mortgage must be signed by any Officer or Director of the corporation who has the authority to bind the corporation. Pursuant to Sections 51(2) and 75.01(2) of the Canada Shipping Act, 2001 applicants may be required to provide additional information as requested by the Chief Registrar. I understand that it is an offence for a person to knowingly make a false or misleading statement in writing and that the penalty can be a fine or imprisonment or both if found guilty in a court of law (Section 37 of the Canada Shipping Act, 2001).		
_____ Signature of Officer or Director		_____ Date Discharge of Mortgage signed (dd-mm-yyyy)
<b>INDIAN BAND</b>		
_____ Name of Indian Band (Print)		_____ Signature
		_____ Name of person signing above (Print)
		_____ Date Discharge of Mortgage signed (dd-mm-yyyy)

**Notes**

- The expressions "mortgages" and "mortgagor" used in this document include their heirs, successors, assigns, executors, administrators and any other legal representatives.
- This Mortgage must be completed by all of the owners. If jointly owned, all the joint owners must act together.
- In the case of an Indian Band, the mortgage must be made by persons authorized by Band Council Resolution OR by affixing the seal of the Indian Band on this Mortgage.
- The original exchange deed must be presented to discharge a mortgage or if not available, by Statutory Declaration.
- The Authorized Representative is required to report any changes, such as a change in the owner's or a registered mortgagee's name or address, (S. 68 of the Canada Shipping Act, 2001).

The information you provide on this form is collected by Transport Canada for the purpose of registering your vessel. It is collected under the authority of Section 43 of the Canada Shipping Act, 2001. The registration of your non-pleasure (commercial) craft is mandatory unless it is registered in a foreign state. The information will be held in the Department's Personal Information Bank entitled Canadian Register of Vessels (bank number TD PPU 041). Your information will be handled in accordance with the provisions of the Privacy Act. Instructions for obtaining your personal information are provided in *Information*, a copy of which is available in major public and secondary libraries. Please note that under Section 76 of the Canada Shipping Act, 2001, a person may examine or obtain copies of any entries in the Register with respect to a vessel.

TRANSCAN LARGE VESSEL  
REG  
330 SPARK ST. PLACE DE  
VI  
OTTAWA ON

CARD \*\*\*\*\*8997  
CARD TYPE VISA  
DATE 2018/07/04  
TIME 6494 10:13:13  
RECEIPT NUMBER  
M84014976-001-001-511-0

PURCHASE  
TOTAL

**\$150.00**

**APPROVED**

AUTH# 093859 01-027  
THANK YOU

CARDHOLDER WILL PAY  
CARD ISSUER ABOVE AMOUNT  
PURSUANT TO CARDHOLDER  
AGREEMENT.

CARDHOLDER COPY

IMPORTANT - RETAIN THIS  
COPY FOR YOUR RECORDS





Transport  
Canada

Transports  
Canada

PROTECTED A (WHEN COMPLETED)

Form 7

## MORTGAGE

FOR DEPARTMENT USE ONLY

Entered as Mortgage "6" in the Register

at (Date) 07/51 a.m.

Part of the day

at (Place) St. John's NL

Official number (if assigned)

329343

Name of vessel (if assigned)

MV Moroon Galates

### A - MORTGAGE

Name(s) and address(es) of registered owner(s)/mortgagee(s)

Moroon Marine Services Ltd.

3 Wharf Road

Clarendville, Newfoundland & Labrador

A5A 2B2

Description of the nature of consideration (under the principal sum or note that there is a line of credit, give details of the interest rate, and the date of the agreement and give the date the agreement was executed)

To support an amount owed to Business Development Bank of Canada of \$2,777,206.00 as of the date hereof plus interest thereon as accrued from time to time (the "Indebtedness"), pursuant to the Forbearance Agreement and certain other Loans, including a Marine Loan Agreement, and the mutual covenants and agreements contained in the Forbearance Agreement, the Loans, and the Marine Loan Agreement, as any may be amended, restated, supplemented,

Name(s) and address(es) of mortgagee(s)

Business Development Bank of Canada

1224 Main Street, 8th Floor, Moncton, New Brunswick E3C 1K7

Now, the mortgagee(s) in consideration of the above now covenants with the mortgagor(s) to pay to the mortgagee(s) the sum for the time being due on this security, whether by way of principal or interest, at the times and in the manner set out. For the purpose of better securing payment to the mortgagee(s), the mortgagor(s) hereby mortgage to the mortgagee(s) 54 shares (number of shares must be indicated) of which the mortgagor(s) are the owner(s) in the vessel described above, and its boats and appurtenances. Further, the mortgagor(s) covenants with the mortgagee(s) that the mortgagor(s) have the power to mortgage the shares and that they are free of encumbrance(s) except as appear on the register of the vessel. (Delete if not applicable)

### INDIVIDUAL

Signature of mortgagor

Signature of mortgagee

Signature of mortgagor

Signature of mortgagee

Signature of mortgagor

Date Mortgage signed (dd-mm-yyyy)

### 1 - CORPORATION

I, Eliza B. Ryan, President state that I have authority to bind

Moroon Marine Services Ltd.

Name and title (Print)

Name of corporation (Print)

I also state that Moroon Marine Services Ltd.

is the name of a corporation which legally exists at the date of this Mortgage.

Name of corporation (Print)

☐ as per the laws of Canada; OR

☒ as per the laws of

Newfoundland and Labrador

Name of province/state (Print)

This Mortgage must be signed by any Officer or Director of the corporation who has the authority to bind the corporation. Pursuant to Sections 61(2) and 76.01(2) of the Canada Shipping Act, 2007 applicants may be required to provide additional information as requested by the Chief Registrar.

I understand that it is an offence for a person to knowingly make a false or misleading statement in writing and that the penalty can be a fine or imprisonment or both if found guilty in a court of law (Section 37 of the Canada Shipping Act, 2007).

Signature of Officer or Director

28-06-2018

Date Mortgage signed (dd-mm-yyyy)

### 2 - CORPORATION

I, Eliza B. Ryan, President state that I have authority to bind

Moroon Marine Services Ltd.

Name and title (Print)

Name of corporation (Print)

I also state that Moroon Marine Services Ltd.

is the name of a corporation which legally exists at the date of this Mortgage.

Name of corporation (Print)

☐ as per the laws of Canada; OR

☒ as per the laws of

Newfoundland and Labrador

Name of province/state (Print)

This Mortgage must be signed by any Officer or Director of the corporation who has the authority to bind the corporation. Pursuant to Sections 61(2) and 76.01(2) of the Canada Shipping Act, 2007 applicants may be required to provide additional information as requested by the Chief Registrar.

I understand that it is an offence for a person to knowingly make a false or misleading statement in writing and that the penalty can be a fine or imprisonment or both if found guilty in a court of law (Section 37 of the Canada Shipping Act, 2007).

Signature of Officer or Director

Date Mortgage signed (dd-mm-yyyy)

### INDIAN BAND

Name of Indian Band (Print)

Signature

Name of person signing above (Print)

Date Mortgage signed (dd-mm-yyyy)

SEAL

Official number (if assigned) <b>329343</b>	Name of vessel (if assigned) <b>MV Moroon Galata</b>	Port of registry <b>ST. JOHN'S NL</b>
<b>B - DISCHARGE OF MORTGAGE</b>		
<b>INDIVIDUAL</b>		
I/We, the mortgagor(s) authorize the discharge of the mortgage described above.		
Signature of mortgagor	Signature of mortgagor	
Signature of mortgagor	Signature of mortgagor	
Signature of mortgagor	Date Discharge of Mortgage signed (dd-mm-yyyy)	
<b>CORPORATION</b>		
I, _____, state that I have authority to bind _____ Name and title (Print) Moroon Marine Services Ltd. Name of corporation (Print)		
I also state that _____ is the name of a corporation which legally exists at the date of this Mortgage: Name of corporation (Print) Moroon Marine Services Ltd.		
<input type="radio"/> as per the laws of Canada; OR <input checked="" type="radio"/> as per the laws of _____ Newfoundland and Labrador Name of province/state (Print)		
This Mortgage must be signed by any Officer or Director of the corporation who has the authority to bind the corporation. Pursuant to Sections 61(2) and 73.01(2) of the Canada Shipping Act, 2001 applicants may be required to provide additional information as requested by the Chief Registrar. I understand that it is an offence for a person to knowingly make a false or misleading statement in writing and that the penalty can be a fine or imprisonment or both if found guilty in a court of law (Section 37 of the Canada Shipping Act, 2001).		
Signature of Officer or Director	Date Discharge of Mortgage signed (dd-mm-yyyy)	
<b>INDIAN BAND</b>		
Name of Indian Band (Print)	Signature	SEAL
	Name of person signing above (Print)	
	Date Discharge of Mortgage signed (dd-mm-yyyy)	

**Notes**

- The expressions "mortgagor" and "mortgagee" used in this document include their heirs, successors, assigns, executors, administrators and any other legal representatives.
- This Mortgage must be completed by all of the owners. If jointly owned, all the joint owner(s) must act together.
- In the case of an Indian Band, the mortgage must be made by person(s) authorized by Band Council Resolution OR by affixing the seal of the Indian Band on this Mortgage.
- The original mortgage deed must be presented to discharge a mortgage or if not available, by statutory Declaration.
- The Authorized Representative is required to report any changes, such as a change in the owner's or a registered mortgagee's name or address, (S. 68 of the Canada Shipping Act, 2001).

The information you provide on this form is collected by Transport Canada for the purpose of registering your vessel. It is collected under the authority of Section 43 of the Canada Shipping Act, 2001. The registration of your non-pleasure (commercial) craft is mandatory unless it is registered in a foreign state. The information will be held in the Department's Personal Information Bank entitled Canadian Register of Vessels (birth number TC PPU 041). Your information will be handled in accordance with the provisions of the Privacy Act. Instructions for obtaining your personal information are provided in *InfoSource*, a copy of which is available in major public and academic libraries. Please note that under Section 75 of the Canada Shipping Act, 2001, a person may examine or obtain copies of any entries in the Register with respect to a vessel.



Transport Canada

Transports Canada

PROTECTED "A" WHEN COMPLETED FORM 7

# MORTGAGE

Entered as Mortgage " " in the Register

Date (dd-mm-yyyy)

at a.m./p.m.

Registrar

Official No. 326961 Name of vessel Northern Seal Port of registry St. John's, NL

## A - MORTGAGE

Full legal name(s) and address(es) of registered owner(s)/mortgagor(s)

Norcon Marine Services Ltd.

PO Box 35

Glovertown, NL A0G 2L0

Description of the nature of consideration (enter the principal sum or state that there is a line of credit, give details of the interest and method of payment or refer to a collateral agreement and give the date the agreement was executed)

\$2,695,000.00 plus interest in accordance with a Marine Loan Agreement dated the 6 day of December, 2012

Full legal name(s) and address(es) of mortgagee(s)

Business Development Bank of Canada, 215 Water St., Box 520 Stn "C", St. John's NL A1C 5K4

I/We, the mortgagor(s) in consideration of the above now covenant with the mortgagee(s) to pay to the mortgagee(s) the sums for the time being due on this security, whether by way of principal or interest, at the times and in the manner set out. For the purpose of better securing payment to the mortgagee(s), the mortgagor(s) hereby mortgage to the mortgagee(s) 64 shares (number of shares must be indicated) of which the mortgagor(s) are the owner(s) in the vessel described above, and in its boats and appurtenances. Further, the mortgagor(s) covenant with the mortgagee(s) that the mortgagor(s) have the power to mortgage the shares and that they are free of encumbrance(s) except as appear on the register of the vessel. (delete if not applicable)

Issued at St. John's

Place

on 06-12-2012

Date (dd-mm-yyyy)

IN THE PRESENCE OF:

Signature  
Neil F. Pittman, Barrister, NL

Name and title (please print)  
Ottenheimer Baker

Address  
PO Box 5457 St. John's NL A1C 5W4

INDIVIDUAL:

Signature of registered owner/mortgagor

Signature of registered owner/mortgagor

Signature of registered owner/mortgagor

Signature of registered owner/mortgagor

Signature of registered owner/mortgagor

CORPORATION  
OR INDIAN BAND

NORCON MARINE SERVICES LTD.

Name of Corporation / Indian Band (please print)

Signature  
Sonia Burry, Director & vice-President

Name and title of person signing above (please print)

SEAL

## B - DISCHARGE OF MORTGAGE

I/We, the mortgagee(s) authorize the discharge of the mortgage described above.

Issued at Place on

Date (dd-mm-yyyy)

IN THE PRESENCE OF:

Signature

Name and title (please print)

Address

INDIVIDUAL:

Signature of mortgagee

Signature of mortgagee

CORPORATION  
OR INDIAN BAND

Name of Corporation / Indian Band (please print)

Signature

Name and title of person signing above (please print)

Signature

Name and title of person signing above (please print)

SEAL

### NOTES:

- The expressions "mortgagee" and "mortgagor" used in this document include their heirs, successors, assigns, executors, administrators and any other legal representative
- This mortgage must be completed by all of the owners. If jointly owned, all the joint owner(s) must act together.
- In the case of a corporation, this Mortgage form must be made by an officer of the corporation authorized by company resolution or by affixing the seal of the corporation on this form.
- In the case of an Indian Band, this Mortgage form must be made by person(s) authorized by Band Council Resolution
- The original mortgage deed must be presented to discharge a mortgage or if not available, by Statutory Declaration
- The Authorized Representative is required to report any changes, such as a change in the owner's or a registered mortgagee's name or address, (s. 58 of the Canada Shipping Act, 2001)

A circular library stamp from the National Diet Library in Tokyo. The text "NATIONAL DIET LIBRARY" is arranged in a circle around the date "1971". In the center, the Japanese text "国会図書館" (National Diet Library) is printed vertically.

Figure 1. The effect of the concentration of the *Agaricus bisporus* spores on the growth of *Agaricus bisporus* on the substrate.



Transport Canada  
Transports Canada

PROTECTED "A" WHEN COMPLETED FORM 7

MORTGAGE

Entered as Mortgage " " in the Register

Date (dd-mm-yyyy)

at \_\_\_\_\_ a.m./p.m.

Registrar

Official No.	Name of vessel <b>Joseph M</b>	Port of registry <b>St. John's, NL</b>
<b>A - MORTGAGE</b>		
Full legal name(s) and address(es) of registered owner(s)/mortgagor(s)		
<b>Norcon Marine Services Ltd.</b>		
<b>PO Box 35</b>		
<b>Glovertown, NL A0G 2L0</b>		
Description of the nature of consideration (enter the principal sum or state that there is a line of credit, give details of the interest and method of payment or refer to a collateral agreement and give the date the agreement was executed)		
<b>\$2,695,000.00 plus interest in accordance with a Marine Loan Agreement dated the ____ day of December, 2012</b>		
Full legal name(s) and address(es) of mortgagee(s)		
<b>Business Development Bank of Canada, 215 Water St., Box 520 Stn "C", St. John's NL A1C 5K4</b>		
I/We, the mortgagor(s) in consideration of the above now covenant with the mortgagee(s) to pay to the mortgagee(s) the sums for the time being due on this security, whether by way of principal or interest, at the times and in the manner set out. For the purpose of better securing payment to the mortgagee(s), the mortgagor(s) hereby mortgage to the mortgagee(s) <u>64</u> shares (number of shares must be indicated) of which the mortgagor(s) are the owner(s) in the vessel described above, and in its boats and appurtenances. Further, the mortgagor(s) covenant with the mortgagee(s) that the mortgagor(s) have the power to mortgage the shares and that they are free of encumbrance(s) <u>except as appear on the register of the vessel.</u> (delete if not applicable)		
Issued at	<b>St. John's</b>	on _____ Date (dd-mm-yyyy)
Place		
IN THE PRESENCE OF:		
Signature		
<b>Neil F. Pittman, Barrister, NL</b>		
Name and title (please print)		
<b>Ottenheimer Baker</b>		
Address		
<b>PO Box 5457 St. John's NL A1C 5W4</b>		
INDIVIDUAL:		
Signature of registered owner/mortgagor		
Signature of registered owner/mortgagor		
Signature of registered owner/mortgagor		
Signature of registered owner/mortgagor		
Signature of registered owner/mortgagor		
CORPORATION OR INDIAN BAND		
<b>NORCON MARINE SERVICES LTD.</b>		
Name of Corporation / Indian Band (please print)		
Signature		
<b>Sonia Burry, Director &amp; Vice-President</b>		
Name and title of person signing above (please print)		
<b>B - DISCHARGE OF MORTGAGE</b>		
I/We, the mortgagee(s) authorize the discharge of the mortgage described above.		
Issued at	_____	on _____ Date (dd-mm-yyyy)
Place		
IN THE PRESENCE OF:		
Signature		
Name and title (please print)		
Address		
INDIVIDUAL:		
Signature of mortgagee		
Signature of mortgagee		
CORPORATION OR INDIAN BAND		
Name of Corporation / Indian Band (please print)		
Signature		
Name and title of person signing above (please print)		
Signature		
Name and title of person signing above (please print)		

NOTES:

1. The expressions "mortgagee" and "mortgagor" used in this document include their heirs, successors, assigns, executors, administrators and any other legal representative.
2. This mortgage must be completed by all of the owners. If jointly owned, all the joint owner(s) must act together.
3. In the case of a corporation, this Mortgage form must be made by an officer of the corporation authorized by company resolution or by affixing the seal of the corporation on this form.
4. In the case of an Indian Band, this Mortgage form must be made by person(s) authorized by Band Council Resolution.
5. The original mortgage deed must be presented to discharge a mortgage or if not available, by Statutory Declaration.
6. The Authorized Representative is required to report any changes, such as a change in the owner's or a registered mortgagee's name or address, (s. 58 of the Canada Shipping Act, 2001)





This Cross-collateralization Agreement (this "Agreement") is made as of the 21 day of June 2018, by and between Norcon Marine Services Ltd. ("NMSL"), Burry's Shipyard Inc. ("BSI") (NMSL and BSI are each a "Borrower" and collectively, the "Borrowers"); Glenn Maxwell Burry ("Glenn"), Sonia Burry ("Sonia"), NMSL, in its capacity as guarantor, (Glenn, Sonia and NMSL are each a "Guarantor" and collectively, the "Guarantors"); and Business Development Bank of Canada, in its capacity as lender ("BDC").

1. Cross-Collateralization, Cross-Guarantee

1.1 **Cross-Collateralization.** Subject to Section 1.6 below, and notwithstanding the provisions of a particular "Finance Instrument" (as defined below in Section 3.2), including, without limitation, any statement therein that such Finance Instrument constitutes the entire agreement between the parties thereto with respect to the subject matter thereof, the assignment, mortgage, pledge, charge and security interest created by each Finance Instrument shall secure payment and performance of all "Borrower Obligations" (as defined below in Section 3.1). The assignments, mortgages, pledges, charges and security interests originally created by a Finance Instrument are in no way affected by the termination or expiration of such Finance Instrument or the payment of the Borrower Obligations created by that Finance Instrument.

1.2 **Re-Grant of Security Interest.** As security for payment and performance of all indebtedness, liabilities and obligations of any kind or description whatsoever of NMSL to BDC (whether due or to become due, present or future, absolute or contingent, joint or several, direct or indirect and, without limitation, including future advances) arising under a Finance Instrument, whether any such Finance Instrument is executed at a prior time, concurrently herewith or at any time in the future, NMSL hereby assigns, mortgages, pledges, charges and grants a security interest to BDC in and to the collateral described therein. As security for payment and performance of all indebtedness, liabilities and obligations of any kind or description whatsoever of BSI to BDC (whether due or to become due, present or future, absolute or contingent, joint or several, direct or indirect and, without limitation, including future advances) arising under a Finance Instrument, whether any such Finance Instrument is executed at a prior time, concurrently herewith or at any time in the future, BSI hereby assigns, mortgages, pledges, charges and grants a security interest to BDC in and to the collateral described therein.

1.3 **Additional Security.** This Agreement and the assignment, mortgage, pledge, charge and security interest granted hereby are in addition to and not in substitution for any Finance Instrument or assignment, mortgage, pledge, charge or security interest granted thereby and this Agreement is a continuing agreement that shall remain in full force and effect until discharged by BDC.

1.4 **Application of Receipts.** All money collected or received by BDC in respect of collateral as described in any Finance Instrument may be applied on account of such parts of the Borrower Obligations as BDC in its sole discretion determines.



1.5 **Cross-Guarantees.** Subject to Section 1.6 below, notwithstanding the provisions of a particular "Guarantee" (as defined below in Section 3.4), including, without limitation, any statement therein that such Guarantee constitutes the entire agreement between the parties thereto with respect to the subject matter thereof or any limitation on the amount owing by a Guarantor under any Guarantee, the Guarantors each confirm that each Guarantee shall guarantee payment and performance of all "Borrower Obligations" of all of the Borrowers to BDC. The liability of each Guarantor under each Guarantee shall as set out therein, and shall guarantee the due and punctual payment and performance of each of the Finance Instruments as applicable, and all of the Borrower Obligations. Each of the Borrowers and Guarantors acknowledge and agree that all Finance Instruments and Guarantees shall be held by BDC as collateral security for all of the Borrower Obligations.

1.6 **Limitations.** Notwithstanding anything to the contrary in Section 1.1 to 1.5 above, nothing in this Agreement shall create a guarantee of financial assistance:

- i) by NMSL of or in respect of any obligations, present and future, of BSI towards BDC;
- ii) by BSI of or in respect of any obligations, present and future, of NMSL towards BDC.

## 2. Default and Remedies

2.1 **Default.** If any Borrower or any Guarantor of any of the Borrower Obligations fails to pay when due any portion of the Borrower Obligations; or there occurs a "Default" or "Event of Default" under any Finance Instrument or the forbearance agreement between the parties dated as of \_\_\_\_ day of June, 2018 (the "Forbearance Agreement"), there shall be constituted thereby a "Default" or "Event of Default" under all Finance Instruments and this Agreement, and BDC may declare any or all Borrower Obligations to be immediately due and payable without protest, presentment, demand or further notice of any kind (all of which are expressly waived by the Borrowers) and/or proceed to protect, exercise and enforce its rights and remedies under this Agreement, the Forbearance Agreement, the Finance Instruments and such other rights and remedies as are provided by law or by equity or by statute, without notice to or demand or further notice of any kind (all of which are expressly waived by the Borrowers).

2.2 **Remedies.** The rights and remedies of BDC hereunder are cumulative and in addition to and not in substitution for any rights or remedies provided in the Finance Instruments, by law or by equity or by statute.

## 3. Defined Terms

3.1 In this Agreement, "Borrower Obligations" means all indebtedness, liabilities and obligations of any kind or description whatsoever of all of the Borrowers to BDC (whether due or to become due, present or future, absolute or contingent, joint or several, direct or indirect and, without limitation, including future advances) arising under a Finance Instrument, whether any such Finance Instrument is executed at a prior time, concurrently herewith or at any time in the future.

3.2 In this Agreement, "Finance Instrument" means a commitment letter, loan agreement, marine loan agreement, letter of offer, terms letter, offer of finance, credit agreement,

promissory note, leasing agreement, master leasing agreement, leasing schedule, conditional sale contract, security agreement, equipment loan and security agreement, guarantee, chattel mortgage, hypothec, pledge, debenture, real property mortgage, marine mortgage, general security agreement, assignment of management and services agreements or any other instrument, evidence of indebtedness or security between BDC and any of the Borrowers, as any of the same may be amended, replaced or superseded from time to time, including, but not limited to:

- (a) Loan 068720-01 pursuant to a Letter of Offer between BDC and BSI dated October 16, 2012;
- (b) Loan 033518-05 pursuant to a Letter of Offer dated November 26, 2012 between BDC and NMSL, as amended by Letters of Amendment dated March 13, 2015 and September 3, 2015;
- (c) Loan 033518-07 pursuant to a Letter of Offer dated August 28, 2013 between BDC and NMSL, As amended by the Letters of Amendment;
- (d) Loan 033518-10 pursuant to a Letter of Offer dated March 9, 2017 between BDC and NMSL;
- (e) Loan 068720-05 pursuant to a Letter of Offer dated March 9, 2017 between BDC and BSI;
- (f) Loan 068720-04 pursuant to a Letter of Offer dated March 9, 2017 between BDC and BSI;
- (g) Loan 033518-11 pursuant to a Letter of Offer dated November 22, 2017 between BDC and NMSL;
- (h) First marine mortgage on vessel MV Northern Seal made by NMSL dated December 6, 2012 and corresponding Marine Loan Agreement;
- (i) First marine mortgage on vessel MV Galatea made by NMSL dated June 2018 and corresponding Marine Loan Agreement;
- (ii) First marine mortgage on vessel MV Triton made by NMSL dated June \_\_\_\_, 2018 and corresponding Marine Loan Agreement;
- (j) First marine mortgage on vessel MV Nurcon Oceanus made by NMSL dated December 17, 2012 and corresponding Marine Loan Agreement;
- (k) Mortgage dated November 26, 2012 made by BSI in favour of BDC with respect to real property at 3 Wharf Road, Clarendville, Newfoundland and Labrador;
- (l) General Security Agreement from NMSL dated March 15, 2017 providing a first security interest in certain equipment of NMSL and a second charge over all of NMSL's present and after-acquired personal property; and

- (m) General Security Agreement from BSI dated November 20, 2012 providing a first security interest in all present and after-acquired personal property, except consumer goods, subject to The Bank of Nova Scotia's priority on inventory and accounts receivable.

3.3 In this Agreement, "Guarantee" means any guarantee of any of the obligations of any Borrower or Borrowers in favour of BDC provided by any Guarantor, Guarantors, Borrower or Borrowers, including, but not limited to:

- (a) Joint and Several Guarantee of Glenn and Sonia for 25% of the outstanding amount of Loan 033518-05;
- (b) Guarantee of Sonia for 10% of the outstanding amount of Loan 068720-01;
- (c) Guarantee of Glenn for 10% of the outstanding amount of Loan 068720-01;
- (d) Guarantee of NMSL for 25% of the outstanding amount of Loan 068720-01;
- (e) Joint and Several Guarantee of the Glenn and Sonia for 100% of the outstanding amount of Loan 033518-07;
- (f) Joint and Several Guarantee of the Personal Guarantors for 25% of the outstanding amount of Loan 033518-10;
- (g) Joint and Several Guarantee of the Guarantors for 25% of the outstanding amount of Loan 068720-04;
- (h) Joint and Several Guarantee of the Guarantors for 100% of the outstanding amount of Loan 068720-05; and
- (i) Joint and Several Guarantee of Glenn and Sonia for 100% of the outstanding amount of Loan 033518-11.

#### 4. General

4.1 **Benefit of the Agreement.** This Agreement shall enure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

4.2 **Assignment.** This Agreement is assignable by BDC without the consent of the the Borrowers and the Guarantors and shall not be assigned by the Borrowers or the Guarantors without the prior written consent of BDC.

4.3 **Amendments and Waivers.** No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Borrowers and an authorized representative of BDC. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same

and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

4.4. **Severability.** If any provision of this Agreement is determined to be invalid, illegal or unenforceable in whole or in part, it shall be severable from this Agreement and the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable provision or parts had been deleted herefrom.

4.5 **Notices.** Any notice or communication to be given hereunder may be given effectively by delivering the same at the addresses and in the manner provided in the Finance Instruments which contain such information which have been most recently entered into between the Borrower and BDC.

4.6 **Further Assurances.** The Borrower must at its expense from time to time do, execute and deliver, or cause to be done, executed and delivered, all such financing statements, further assignments, documents, acts, matters and things as may be reasonably requested by BDC for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the representations, warranties and covenants herein contained.

*[Remainder of page intentionally left blank]*

BUSINESS DEVELOPMENT

By:

Name: Robert Prince  
Title: Director Business Restructuring  
(Authorized Signatory)

By:

Name: R. French  
Title: AUP BRU  
(Authorized Signatory)

By:

Name:  
Title:  
(Authorized Signatory)

By:

Name:  
Title:  
(Authorized Signatory)

By:

Title:  
(Authorized Signatory)

By:

Name:  
Title:  
(Authorized Signatory)

GISELLE MCNEIL, DUFFY

By:

SUNIA BERRY

By:

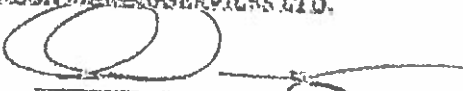
IN WITNESS WHEREOF the parties hereto have duly executed this Agreement effective as of the 27 day of June, 2018

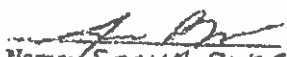
BUSINESS DEVELOPMENT BANK OF CANADA

By: \_\_\_\_\_  
Name:  
Title:  
(Authorized Signatory)


By: \_\_\_\_\_  
Name:  
Title:  
(Authorized Signatory)

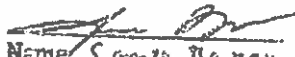
HORCON MARINE SERVICES LTD.

By:   
Name: GLENN M. BARRY  
Title: PRESIDENT  
(Authorized Signatory)

By:   
Name: SONIA BARRY  
Title: VICE PRESIDENT  
(Authorized Signatory)

BONNIE SHIPWARD INC.

By:   
Name: GLENN M. BARRY  
Title: PRESIDENT  
(Authorized Signatory)

By:   
Name: SONIA BARRY  
Title: VICE PRESIDENT  
(Authorized Signatory)

Aug  
28.



GLENN MAXWELL BURRY

By:

A handwritten signature in dark ink, appearing to be "G. Maxwell Burry", written over a horizontal line.

SONIA BURRY

By:

A handwritten signature in dark ink, appearing to be "Sonia Burry", written over a horizontal line.

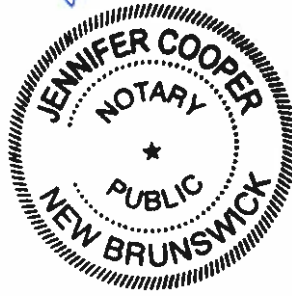
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THIS IS EXHIBIT " F " TO  
THE AFFIDAVIT OF

Robert Prince

Sworn to before me  
this 11 day of Dec, 2019

*[Handwritten signature in blue ink]*



November 15, 2018

Tim Hill, QC  
Boyne Clarke LLP  
99 Wyse Road, Suite 600  
P.O. Box 876, Dartmouth Main  
Halifax Regional Municipality, NS B2Y 3Z5

By Email and Facsimile: [thill@boyneclarke.ca](mailto:thill@boyneclarke.ca)  
(902) 463 7500

Dear Mr. Hill:

Re: Norcon Marine Services Ltd. ("Norcon") and Burry's Shipyard Inc. ("BSI")  
and a proposed revised forbearance agreement by and among Norcon, Sonia Burry  
("SB") and Glen Burry ("GB")

We refer to our recent email correspondence.

As you are aware, our client, the Business Development Bank of Canada ("BDC"), along with BSI, Norcon, GB and SB entered into a Forbearance Agreement on the 22<sup>nd</sup> of June, 2018 (the "June 2018 Forbearance") which expired on October 31<sup>st</sup>, 2018.

In recent discussions, following the bankruptcy of BSI, Norcon has requested that BDC extend, and to a certain extent, revise, the terms of the now expired June 2018 Forbearance Agreement in favour of Norcon. This resulted in draft forbearance agreement between BDC, Norcon, SB and GB being delivered to BDC, through your offices, on October 31<sup>st</sup>, 2018.

Following the delivery of the draft forbearance, BDC responded on Monday, November 5<sup>th</sup>, with a redline of the draft, to which you further responded *by email* on Monday, November 12<sup>th</sup>, setting out a number of comments and requesting certain concessions from BDC. You did not, however, provide redline in response to BDC's last draft. In recent communications between our respective offices, you advised that Norcon cannot commit to providing a further redline before November 16<sup>th</sup>, approximately 12 days from receiving BDC's initial redlined comments, and 16 days from circulating the initial draft.

Please be advised that BDC considers this matter urgent, and is requesting Norcon's immediate attention to providing a signed agreement. If this cannot be provided to BDC by

**Darren D. O'Keefe** | Partner

Direct 709 570 5509 Main 709 738 7800 Fax 709 738 8994 Email [dokeefe@coxandpalmer.com](mailto:dokeefe@coxandpalmer.com)  
Suite 1100 Scotia Centre 235 Water Street St. John's NL A1C 1B6

November 15, 2018

close of business on November 16<sup>th</sup>, 2018, please be advised that BDC may take whatever action it deems appropriate, including but not limited to the issuance of demand letters to Norcon for breach of its existing commitments to BDC, including but not limited to those set out in the cross-collateralization agreement dated the 21<sup>st</sup> of June, 2018.

We have been advised by our client that it is in discussions with your client and there appears to be mutual interest to conclude this matter swiftly. Hopefully this will avert the necessity for BDC to take any further action.  
We trust the foregoing is satisfactory.

Yours very truly,

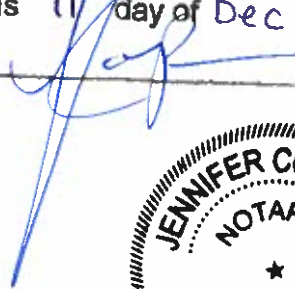


for DARREN D. O'KEEFE  
Cox & Palmer  
Solicitors for Business Development Bank of Canada

THIS IS EXHIBIT " G1 " TO  
THE AFFIDAVIT OF

Robert Prince

Sworn to before me  
this 11 day of Dec, 2019





## FORBEARANCE AGREEMENT

**BETWEEN:**

**BUSINESS DEVELOPMENT BANK OF CANADA ("BDC")**, a corporation incorporated pursuant to an Act of the Parliament of Canada

**OF THE FIRST PART,**

**AND:**

**NORCON MARINE SERVICES LTD. ("NMSL")**, a corporation incorporated under the laws of the Province of Newfoundland and Labrador

**OF THE SECOND PART,**

**AND:**

**GLENN MAXWELL BURRY ("Glenn")**, an individual residing in Glovertown, in the Province of Newfoundland and Labrador

**OF THE THIRD PART,**

**AND:**

**SONIA BURRY ("Sonia")**, and individual residing in Glovertown, in the Province of Newfoundland and Labrador

**OF THE FOURTH PART,**

(Glenn and Sonia are referred to collectively herein as the **"Personal Guarantors"**)

**WHEREAS:**

- A. The Parties hereto together with Burry's Shipyard Inc. ("BSI") entered into a Forbearance Agreement dated June 22, 2018 (the **"June 2018 Forbearance"**), with respect to the Indebtedness (as defined therein) due from NMSL and BSI to BDC in respect of the Loans (as defined therein);
- B. NMSL and BSI are indebted to BDC in the principal amount of \$2,869,974.00, plus accrued interest, as of May 4, 2018 (the **"Indebtedness"**) pursuant to certain letters of offer made available by BDC to the Borrowers (the **"Letters of Offer"**), namely:
  - (1) Loan 068720-01 pursuant to a Letter of Offer between BDC and BSI dated October 16, 2012;

- (2) Loan 033518-05 pursuant to a Letter of Offer dated November 26, 2012 between BDC and NMSL, as amended by Letters of Amendment dated March 13, 2015 and September 3, 2015 (the "Letters of Amendment");
- (3) Loan 033518-07 pursuant to a Letter of Offer dated August 28, 2013 between BDC and NMSL. As amended by the Letters of Amendment;
- (4) Loan 033518-10 pursuant to a Letter of Offer dated March 9, 2017 between BDC and NMSL;
- (5) Loan 068720-05 pursuant to a Letter of Offer dated March 9, 2017 between BDC and BSI;
- (6) Loan 068720-04 pursuant to a Letter of Offer dated March 9, 2017 between BDC and BSI; and
- (7) Loan 033518-11 pursuant to a Letter of Offer dated November 22, 2017 between BDC and NMSL.

(each of the foregoing is hereinafter referred to as a "Loan" and collectively as the "Loans")

- C. The Indebtedness was guaranteed by the Personal Guarantors and NMSL, as more particularly set out in section D below.
- D. As collateral security for the Indebtedness, the Borrower executed and delivered in favour of BDC the following Security:
  - (1) First marine mortgage on vessel MV Northern Seal made by NMSL dated December 6, 2012 and corresponding Marine Loan Agreement;
  - (2) First marine mortgage on vessel MV Norcon Oceanus made by NMSL dated December 17, 2012 and corresponding Marine Loan Agreement;
  - (3) Joint and Several Guarantee of the Personal Guarantors for 20% of the outstanding amount of Loan 033518-05;
  - (4) Joint and Several Guarantee of Sonia and Glenn for 10% of the outstanding amount of Loan 068720-01;
  - (5) Guarantee of NMSL for 25% of the outstanding amount of Loan 068720-01;
  - (6) Joint and Several Guarantee of the Personal Guarantors for 100% of the outstanding amount of Loan 033518-07;
  - (7) Joint and Several Guarantee of the Personal Guarantors for 25% of the outstanding amount of Loan 033518-10;
  - (8) Joint and Several Guarantee of the Personal Guarantors and NMSL for 25% of the outstanding amount of Loan 068720-04;
  - (9) Joint and Several Guarantee of the Personal Guarantors and NMSL for 100% of the outstanding amount of Loan 068720-05;
  - (10) Joint and Several Guarantee of the Personal Guarantors for 100% of the outstanding amount of Loan 033518-11;
  - (11) Mortgage dated November 26, 2012 made by BSI in favour of BDC with respect to real property at 3 Wharf Road, Clarenville, Newfoundland and



- Labrador (as more particularly described in the mortgage, the **BSI Real Property**) (the **BSI Mortgage**);
- (12) General Security Agreement from NMSL dated March 15, 2017 providing a first security interest in certain equipment of NMSL and a second charge over all of NMSL's present and after-acquired personal property; and
  - (13) General Security Agreement from BSI dated November 20, 2012 providing a first security interest in all present and after-acquired personal property, except consumer goods, subject to The Bank of Nova Scotia's ("**BNS**") priority on inventory and accounts receivable (the "**BNS Security**").
  - (14) Marine Mortgage dated June 28, 2018 from NMSL to BDC over the vessel MV Norcon Galatea, and corresponding Marine Loan Agreement;
  - (15) Marine Mortgage dated June 28, 2018 from NMSL to BDC over the vessel MV Norcon Triton, and corresponding Marine Loan Agreement;
  - (16) Intercreditor Agreement between BDC, BNS, NMSL and BSI dated June 27, 2018 (the "**Intercreditor Agreement**"); and
  - (17) Cross-Collateralization Agreement dated June 27, 2018 between BDC, NMSL, BSI, Glen and Sonia (the "**Cross-Collateralization Agreement**").

(items (1) through (17) above are hereinafter collectively referred to as the "**Security**").

**AND WHEREAS** on October 27, 2018, BSI was deemed to have made an assignment in bankruptcy pursuant to the provisions of section 50.4(8) of the *Bankruptcy and Insolvency Act*;

**AND WHEREAS** NMSL has requested of BDC, and BDC has agreed, to forbear its entitlement to enforce the Security in accordance with the terms and conditions set forth in this Forbearance Agreement (the "**Agreement**") until February 28, 2019 (the "**Term**");

**AND WHEREAS** the parties agree that all other terms with respect to the Indebtedness and the Security shall remain in full force and effect;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT:** In consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other:

1. The parties hereby acknowledge and agree as follows:
  - a. The recitals to this Agreement are true in fact and substance and are expressly incorporated into this Agreement.
  - b. NMSL acknowledges that the Indebtedness is valid and outstanding and that NMSL is currently in default under the Security, including a default of their repayment obligations thereunder.

- c. The Indebtedness is due and owing to BDC by NMSL and NMSL has no rights or claim of set-off or any similar right or claim against BDC in connection with the Indebtedness.
- d. NMSL acknowledges that the Security is valid, existing and enforceable in accordance with its terms.
- e. NMSL represents and warrants that the shareholdings of NMSL is as follows:
  - i. 50% of the shares are held by Glenn;
  - ii. 50% of the shares are held by Sonia;
- f. NMSL acknowledges that certain breaches of their obligations under the Letters of Offer and Security with BDC have occurred, including but not limited to:
  - i. Breach of an underlying condition with respect to a reduction in shareholders loans, as reported in the January 31<sup>st</sup>, 2017 financial statements (the "2017 Financials");
  - ii. Breach of an underlying condition with respect to payments to Canada Revenue Agency ("CRA");
  - iii. Breach of an underlying condition with respect to rental payments from Sonia Burry; and
  - iv. Breach of an underlying condition with respect to inter-company loans and assumption of debt,
  - v. Breach of the June 2018 Forbearance Agreement;
  - vi. Breach of the monthly financial reporting as required under the Loans; and
  - vii. Default of the provisions of their loan facilities with BNS.

The breaches detailed in sections 1(f)(i) to 1(f)(iv) above are more particularly set out in BDC's letter dated March 23, 2018, attached hereto as Exhibit "A".

- g. The Parties hereto acknowledge and agree, that prior to its bankruptcy on October 27<sup>th</sup>, 2018 as noted above, BSI committed several defaults under the terms of June 2018 Forbearance Agreement, as well as the Loans set out in clauses A.(1), A.(5) and A.(6) thereof (repeated at clause B.(1), B.(5) and B.(6) above), including those breaches more particularly detailed in certain default letters from BDC attached hereto as Exhibit B, for which NMSL is liable under the terms and conditions of the June 2018 Forbearance Agreement and the Cross Collateralization Agreement.

2. NMSL hereby:

- a. postpones and subordinates any and all interests that they may have in the collateral secured by the Security in favour of BDC.
- b. acknowledges the right of BDC to enforce the Security.
- c. Together with the Personal Guarantors acknowledges the right of BDC to enforce the Security against them and acknowledge that the guarantees as listed in items (3) to (10) of the Security are valid, existing and enforceable in accordance with their terms.
- d. Together with the Personal Guarantors acknowledges that except as provided in this Agreement, BDC (either by itself or through its employees or agents) has made no promises, nor has it taken any action or omitted to take any action which would constitute a waiver of its right to take any enforcement action in connection with the enforcement of the Security, or which would estop it from so doing and that no statement, representation, promise, act or omission by BDC or its employees or agents shall create such a waiver or estoppel unless BDC executes and delivers to NMSL or the Personal Guarantors a written waiver of any such rights as the case may be.

3. The following conditions constitute the Conditions Precedent to this Agreement:

- i. NMSL shall pay a one-time forbearance fee of \$ 5,000 to BDC upon execution of this Agreement, which NMSL acknowledges is earned as at the date hereof; and
- ii. NMSL shall on or before November 30, 2018, provide written confirmation of a fully-executed forbearance agreement with BNS, acceptable to BDC, with the BNS forbearance agreement's term extending for the duration of this Agreement's Term, at a minimum

4. During the Term of this Agreement, NMSL shall comply with the following conditions:

- i. The interest rate variance of each individual Loan comprising the Indebtedness shall be raised to +5.00% over BDC's Base Rate for the duration of the Term;
- ii. NMSL shall pay the payments due on the Indebtedness on the regularly-scheduled due date of each individual NMSL Loan;

- iii. Notwithstanding BDC's rights to enforce the Cross Collateralization Agreement at any time, , NMSL shall bring the principal and interest payments in arrears on the BSI loans up to date on or before November 23<sup>rd</sup>;;
- iv. Notwithstanding BDC's rights to enforce the Cross Collateralization Agreement at any time, on the 23<sup>rd</sup> day of December 2018, January 2019 and February 2019, NMSL shall pay the amount of accrued interest outstanding of each individual BSI loan calculated as of the 21<sup>st</sup> day of each month;
- v. NMSL shall pay any past and future accounts rendered by BDC's external solicitor and/or any other protective disbursements within fifteen (15) days of invoice submission to NMSL;
- vi. Shareholder compensation paid by NMSL shall be limited to a combined total of \$300,000.00 per year;
- vii. The BNS Security as well as the BNS indebtedness secured therefrom shall remain in place and any amendments to the BNS indebtedness must be approved by BDC after disclosure to BDC by NMSL. BNS must stand down from any enforcement action on the BNS indebtedness, including any cash sweeps or other realization on its security;
- viii. NMSL shall provide BDC with the following additional reporting, which will supplement its monthly reporting of financial results: (a) each month, actual cash flow results together with variances from forecasted cash flow, performance against covenants and margining; (b) each month, an updated rolling thirteen (13) week cash flow forecast; (c) each month, a report on the progress of sale of non-core assets owned by NMSL and the Personal Guarantors; (d) each month, a report detailing the nature and total amount of shareholder compensation; and (e) each month, a report on the progress of collection of amounts advanced to non-debtor related companies. The reporting required herein shall be delivered to BDC by the 20<sup>th</sup> business day of the following month;
- ix. NMSL agrees that there shall be no material deviations from the cash flow forecasts attached hereto as Exhibit "C" ;
- x. NMSL agrees to honour the terms of the payment arrangements in place with CRA;
- xi. NMSL agrees that NMSL shall not advance funds directly or indirectly to the Personal Guarantors, Indulgence by the Sea Inc.,

Tower Equestrian Association Inc., or to any other party outside the course of business, or provide any form of financial assistance to the Personal Guarantors, Indulgence by the Sea Inc., Tower Equestrian Association Inc., or to any other party outside the course of business, directly or indirectly by way of loan or guarantee, lease of personal property or real property, purchase or sale of shares, assets or securities of NMSL, or by issuance of any dividends from NMSL after the date of this Agreement.

- xii. NMSL shall pay when due all claims, from and after the date of this Agreement, which rank prior to the indebtedness and security held by BDC from NMSL (collectively, "Prior Claims") which shall include, without limitation, all amounts owing or required to be paid, where a failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to BDC's security or otherwise in priority to any claim by BDC for the repayment of any amounts owing to it, including without limitation, all amounts owing to any federal, provincial, municipal or other government entity or Crown corporation, all statutory, actual or deemed trusts, all withholdings and source deductions, all accrued and unpaid payroll, including vacation pay, all amounts owing in respect of any pension fund obligation and all amounts owing to any person having a lien, encumbrance, trust or charge ranking in priority to the BDC's security;
- xvi. NMSL shall continue with the sale process ("Galatea Sale Process"), which shall be satisfactory to BDC, in its sole discretion, for the vessel MV Galatea forthwith following the execution of this Agreement. Pursuant to the Galatea Sale Process, NMSL shall satisfy the following milestone: closing of the transaction involving the selected offer by January 31, 2018. NMSL shall provide bi-weekly written reports to BDC on the status of the Galatea Sale Process, including, but not limited to, a summary of the parties contacted and status of each contacted party's involvement in the Galatea Sale Process, and such report shall be delivered by the third business day of each second week.
- xvii. In the event that the Galatea Sale Process results in an additional principal payment of at least \$200,000 on the Indebtedness, BDC agrees to immediately reduce the interest rate variance of each individual NMSL Loan by 1.00%;
- xviii. NMSL shall provide bi-weekly written reports to BDC on the status of its refinancing efforts, including, but not limited to, a summary of the parties contacted, the stage of completion of each potential

refinancing offer, the due diligence steps remaining of each potential refinancing offer, and the expected timing to close of each potential refinancing offer. Such report shall be delivered by the third business day of each second week; and

- xix. NMSL shall provide, immediately upon receipt, any term sheets, discussion papers, letters of intent or letters of offer for any and all potential refinancing solutions being sought by NMSL. Copies of such term sheets shall be complete and unredacted.

5. The Parties, and each of them, acknowledge that, notwithstanding BDC's agreement to forbear from further legal action during the Term of this Agreement, the Indebtedness shall immediately become due and payable and BDC shall be entitled to proceed to fully enforce the Security held in support thereof and to commence litigation at any time against NMSL or the Personal Guarantors in the event of the following:
- a. NMSL doesnot pay, when due, all amounts required to be paid under this Agreement or any other agreement with BDC, or if any property of NMSL is taken in execution;
  - b. NMSL or any other creditor takes any proceeding for the appointment of a receiver or to enforce on any security it holds or to appoint a trustee in bankruptcy of the Borrowers or if NMSL files a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act (Canada)*;
  - c. Either of the Personal Guarantors files for bankruptcy or makes a consumer proposal under the *Bankruptcy and Insolvency Act (Canada)*; or
  - d. NMSL defaults in the observance of any provision of this Agreement, the Security, or any other event occurs which, in the reasonable opinion of BDC, would constitute an adverse change in the financial condition of NMSL or would impair or endanger the Security, or the value of the assets secured thereby, held by BDC in respect of the Indebtedness or any part thereof.
6. In the event that BDC proceeds to enforce any of the Security, NMSL and the Personal Guarantors agree and undertake to assist, support and facilitate BDC's enforcement of the Security without any delay or court proceedings.
7. Nothing in this Agreement shall be deemed a waiver, either express or implied, of BDC's right to pursue NMSL for the outstanding BSI debt owed to BDC, insofar as BDC may pursue NMSL for the BSI outstanding debt under the terms and conditions of the Cross Collateralization Agreement and the June 2018 Forbearance Agreement, including but not limited to any deficiency amount owed to BDC following the enforcement of its security against BSI (a "BSI Deficiency Claim"), and NMSL agrees that, at BDC's sole discretion, subject to the terms and



conditions of the Cross Collateralization Agreement and this Agreement, BDC may take enforcement action against NSML for any BSI Deficiency Claim, including but not limited to legal proceedings.

8. The fees and expenses incurred by BDC for professional services provided to BDC from its external solicitors to date, and the fees and expenses for professional services and other disbursements to be incurred by BDC during this Agreement, and any enforcement of the Security, shall form part of the Indebtedness and shall be paid by NSML as part of the Indebtedness, as described above.
9. NSML and the Personal Guarantors acknowledge and agree that, except as expressly amended by this Agreement, all terms and conditions of the Security shall remain in full force and effect.
10. The Parties hereby undertake and agree to execute and deliver such further and other documents or assurances as may reasonably be required to give effect to the transaction contemplated hereby.
11. Any changes or amendments to this Agreement or the Security shall only be effective if made in writing and signed by BDC.
12. Time is of the essence with respect to this Agreement.
13. This Agreement shall enure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.
14. If any of the provisions of this Agreement or the application thereof to any party or circumstances shall be illegal or unenforceable to any extent, the remainder hereof or the application of such provision to any other person or circumstance shall not be affected thereby and shall be enforced to the greatest extent permitted by law.
15. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts shall be construed together and shall constitute one and the same original instrument.

*[Remainder of page intentionally left blank]*



IN WITNESS WHEREOF the parties hereto have duly executed this Agreement effective as of the 19<sup>th</sup> day of November, 2018.

**SIGNED, SEALED AND DELIVERED**  
by BDC in the presence of:

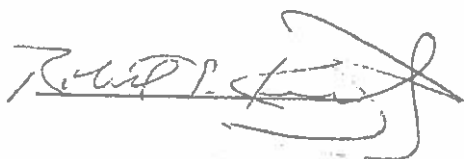
**BUSINESS DEVELOPMENT  
BANK OF CANADA**

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

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

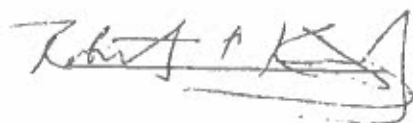
**SIGNED, SEALED AND DELIVERED**  
by Norcon Marine Services Ltd.,  
in the presence of:

**NORCON MARINE SERVICES LTD.**



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

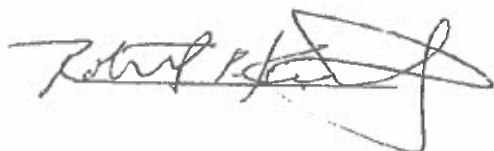
**SIGNED, SEALED AND DELIVERED**  
By Glenn Maxwell Burry, in the  
presence of:



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

**GLENN MAXWELL BURRY**

**SIGNED, SEALED AND DELIVERED**  
by Sonia Burry, in the presence of:



Per: \_\_\_\_\_  
**SONIA BURRY**

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement effective as of the \_\_\_\_ day of November, 2018.

**SIGNED, SEALED AND DELIVERED**  
by BDC in the presence of:

Mathieu Richard

**BUSINESS DEVELOPMENT  
BANK OF CANADA**

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

Robert Price, Director, BDC

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

Russell W. French  
Assistant Vice President, Business Restructuring  
Vice-président adjoint Restructuration d'entreprise

**SIGNED, SEALED AND DELIVERED**  
by Norcon Marine Services Ltd.,  
in the presence of:

**NORCON MARINE SERVICES LTD.**

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

**SIGNED, SEALED AND DELIVERED**  
By Glenn Maxwell Burry, in the  
presence of:

**GLENN MAXWELL BURRY**

**SIGNED, SEALED AND DELIVERED**  
by Sonia Burry, in the presence of:

**SONIA BURRY**

## Exhibit "A"



March 23, 2018

Mr. Glenn Burry  
Norcon Marine Services Ltd.  
3 Wharf Road  
Clarenville, NL A5A 2B2

**Subject: BDC Loan 088720-0: (the "Loan")**

Dear Mr. Burry:

Following a review of the financial statements as at January 31, 2017 (the "financial statements") of Norcon Marine Services Ltd. (the "Company"), as well as a review of the Company's account, we advise that the Company is currently in breach of its obligations to Business Development Bank of Canada ("BDC") under the terms and conditions of the Loan.

The breaches include, but are not necessarily limited to:

- (a) **Underlying Condition regarding reduction in shareholders' loans:** This Underlying Condition stipulates that there will be no reduction of shareholders' loans below \$160,657. As at January 31, 2017, the balance due to Directors was \$114,821.
- (b) **Underlying Condition regarding payments to government agencies:** CRA has indicated, in a letter dated January 18, 2018, that the Company owes \$374,445.44. Proof of payment has not been provided to BDC.
- (c) **Underlying condition regarding rent received by Sonia Burry:** This Underlying Condition stipulates that rent, in the amount of at least \$2,100/month, will be paid to the Company as a shareholder advance and that it may not be withdrawn. The Financial Statements report advances from directors of only \$6,350 over the fiscal year.
- (d) **Underlying Condition regarding inter-company loans and assumption of debt:** This Underlying Condition stipulates that no inter-company loan owed by the Company to related companies shall be repaid. During the fiscal year, the loan due to Clarenville Drydock Limited had reduced by \$59,694. We also note that at the same time, the loan due to Eastern Foundry Ltd. had reduced by \$150,306.

This Underlying Condition further stipulates that no additional debt is to be assumed by the Company without prior written consent from BDC. As at January 31, 2017, one new loan and one new capital lease were reported.

Business Development Bank of Canada  
Business Restructuring  
2000 Barrington St., Suite 1400  
Halifax, NS B3J 2K1

Canada



BDC urges you to take remedial action with respect to the above-mentioned breaches. BDC reserves the right to take action at any time based on its sole discretion and judgement.

Please note that this letter is not to be interpreted as a renunciation, an acceptance or a waiver of the above-mentioned breaches.

Yours truly,

Robert Prince  
Director, Business Restructuring  
T (506) 851-7612  
E robert.prince@bdc.ca

Russell W. French  
Assistant Vice President, Business Restructuring

**Exhibit "B"**

bdc\*

August 13, 2018

Norcan Marine Services Ltd.  
9 Wharf Road, Clarendonville, N.L.  
Canada A5A 2P2  
Attn: Glen Bury, President

Dear Mr. Bury:

Re: Norcan Marine Services Ltd. (the "Company")  
Loan Reference Number 083418-06, -07, -10, -11  
Forbearance Agreement dated June 22<sup>nd</sup>, 2018, by and among Bury's Shipyard Ltd.  
("BSL"), Glen Bury ("GB"), Glen Bury ("GB") and the Company (the "Forbearance  
Agreement")

We refer to the above noted Forbearance Agreement as well as the cross-collateralization  
agreement by and among BSL, GB, GB and the Company dated June 21<sup>st</sup>, 2018 (the "Cross-  
Collateralization Agreement"). We refer to BSL, GB, GB, and the Company collectively as the  
"Borrowers".

As you are aware, the Forbearance Agreement sets out a number of conditions which BSL and  
the Company must comply with in sections 2 through 4. As of the date hereof, there have been  
several default/breaches of these provisions by both BSL and the Company, including but not  
limited to the following:

- i. Breach of subsection 4(b) by the filing of a Notice of Intention to Make a Proposal  
under the Bankruptcy and Insolvency Act (Canada) by BSL.
- ii. Breach of subsection 5(i) by the Borrowers failing to make the July 11, 2018  
payment for \$10,049.28, the July payment for \$1,078.28 and the July payment of  
\$2,372.28.
- iii. Breach of subsection 3(vi) by the Borrowers failing to provide BDC with actual  
cash flow results by the third business day of the following week.
- iv. Breach of subsection 3(e) by the Company advancing a further sum of  
\$100,000.00 to BSL beyond the maximum permitted by subsection 3(vii).
- v. Breach of subsection 3(iv) by the Borrowers failing to prepare a confidential  
information memorandum by July 2, 2018, and by failing to provide weekly written  
reports as the sale and liquidation collateral process.
- vi. Breach of subsection 3(vi) by the Borrowers failing to provide weekly written  
reports on the Collateral Sale Process.
- vii. Breach of subsection 2(i) by the Borrowers failing to pay the forbearance fee of  
\$10,000.00 until July 16, 2018.

In addition, we note the Borrowers are both in breach of their respective Letters of Offer as BDC  
continues to await their review engagement financial statements. This breach exists as the  
Borrowers each have a year-end of January 31, and it is now August.



bdc

Given our Cross-Defaultization Agreement, any breach by B&I or the Company of the Forbearance Agreement or of a Letter of Offer will cause a default to occur for both parties. As a result, the foregoing breaches allow BDC to demand repayment of the outstanding indebtedness owed by the Borrowers from the Company. While BDC is not demanding repayment at this time, it reserves its rights in their entirety.

At the present time, BDC is very concerned about the continued operation of the Company and the serious breaches of the Forbearance Agreement that have occurred to date. We trust you will govern yourself accordingly.

Yours truly,

Robert Prince  
Director, Business Restructuring  
Y (505) 831-7612  
E robert.prince@bdc.com

Russell W. French  
Assistant Vice President, Business Restructuring

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New Brunswick | Newfoundland & Labrador | Nova Scotia | Prince Edward Island

September 24, 2018

Tim Hill, QC  
Boyer Clarke LLP  
99 Wyse Road, Suite 600  
P.O. Box 876, Dartmouth Main  
Halifax Regional Municipality, NS B2Y 3Z5

By Email and Facsimile: [thill@boyerclarke.ca](mailto:thill@boyerclarke.ca)  
(902) 423 7500

Dear Mr. Hill:

Re: Norcon Marine Services Ltd. ("Norcon") and Burry's Shipyard Inc. ("BSI")  
Forbearance Agreement dated June 22<sup>nd</sup>, 2018, by and among BSI, Sonia Burry  
("SB"), Glen Burry ("GB") and Norcon (the "Forbearance Agreement")

We refer to the above noted Forbearance Agreement as well as the cross collateralization agreement by and among BSI, GB, SB and Norcon dated June 21<sup>st</sup>, 2018 (the "Cross-Collateralization Agreement"). We refer to BSI, GB, SB, and Norcon collectively as the "Borrowers".

We write to you in your capacity as counsel for the Borrowers, on behalf of our client, the Business Development Bank of Canada ("BDC").

As you are aware, the Forbearance Agreement sets out a number of conditions which BSI and Norcon must comply with in sections 2 through 4. As of the date hereof, there have been several defaults/breaches of these provisions by both BSI and Norcon. We refer you to the attached letter dated August 13, 2018.

In addition to the foregoing, we write now to update on the continued and growing arrears on this file as of September 20<sup>th</sup>, 2018, which causes significant concern for BDC, set out as follows:

Darren D. O'Moore | Partner

404-708-6700 / 6609 / 709-722-7343 / 709-780-6345 / Email: [darren@coxpalmer.com](mailto:darren@coxpalmer.com)  
Suite 1100 Scotia Centre 236 Water Street St. John's NL A1B 1L8

September 30, 2018

Loan Number:	Principal:	Interest:	Fees:	Total:
068720-01	\$15,530.00	\$19,738.60	\$26.00	\$35,294.60
068720-04	N/A	\$2,204.15	N/A	\$2,204.15
068720-05	N/A	\$725.14	N/A	\$725.14

At this juncture, BDC are very concerned about the continued operation BSI and Norcon and the serious breaches of the Forbearance Agreement that have occurred to date. BDC is of the view that the foregoing breaches, in particular, the failure to make payments as and when they become due, demonstrates that BSI and Norcon are insolvent persons.

Please advise how your clients intend on rectifying the foregoing arrears and outstanding breaches of the Forbearance Agreement.

Yours Truly,



DARREN D. O'KEEFE  
Cox & Palmer  
Solicitors for Business Development Bank of Canada

COX & PALMER |

October 1, 2018

Tim Hill, QC  
Boyer Clarke LLP  
99 Wyse Road, Suite 600  
P.O. Box 876, Dartmouth Main  
Halifax Regional Municipality, NS B2Y 3Z5

By Email and Facsimile: [thill@boyneclarke.ca](mailto:thill@boyneclarke.ca)  
(902) 463 7500

Dear Mr. Hill:

Re: Norcon Marine Services Ltd. ("Norcon") and Burry's Shipyard Inc. ("BSI")  
Forbearance Agreement dated June 22<sup>nd</sup>, 2018, by and among BSI, Sonia Burry  
("SB"), Glen Burry ("GB") and Norcon (the "Forbearance Agreement")

We refer to the above noted Forbearance Agreement as well as the cross collateralization agreement by and among BSI, GB, SB and Norcon dated June 21<sup>st</sup>, 2018 (the "Cross-Collateralization Agreement"). We refer to BSI, GB, SB, and Norcon collectively as the "Borrowers".

We write to you in your capacity as counsel for the Borrowers, on behalf of our client, the Business Development Bank of Canada ("BDC").

As you are aware, the Forbearance Agreement sets out a number of conditions which BSI and Norcon must comply with in sections 2 through 4. As of the date hereof, there have been several defaults/breaches of these provisions by both BSI and Norcon. We refer you to the attached letters dated August 13, 2018 and September 20, 2018 (and their enclosures). In addition to the breaches outlined in these letters, below and attached, we also note that your client has failed to receive a binding offer for the business and assets of BSI by September 30, 2018, as it was obligated to do under clause 3.x.v.i. of the Forbearance Agreement. Furthermore, your client has failed to receive a binding offer for the M.V. Galatea by September 30, 2018, as it was also obligated to do under clause 3.x.v.ii. of the Forbearance Agreement.

Darren D. O'Seefe | Partner

Direct 709 570 6509 Mobile 709 738 7800 Fax 709 738 6964 Email [doseefe@coxandpalmer.com](mailto:doseefe@coxandpalmer.com)  
Suite 1100 Scotia Centre 235 Water Street St. John's NL A1C 1B8

October 1, 2018

In addition to the foregoing various defaults and breaches of the Forbearance, we write now to update on the continued and growing arrears on BSI's loan account as of September 28<sup>th</sup>, 2018, which cause significant concern for BDC, set out as follows:

Loan Number:	Principal:	Interest :	Fees:	Total:
068720-01	\$15,630.00	\$19,738.60	\$25.00	\$35,393.60
068720-04	N/A	\$3,341.45	N/A	\$3,341.45
068720-05	\$1,665.00	\$1,440.36	N/A	\$3,105.36

At this juncture, BDC are very concerned about the continued operation of BSI and Norcon and the serious breaches of the Forbearance Agreement that have occurred to date. BDC is of the view that the foregoing breaches demonstrate that BSI and Norcon are insolvent persons and unable to fulfill their respective commitments under the Forbearance Agreement.

Given the foregoing, as well as the escalation of costs in the NOI procedure which erode BDC's position, it is BDC's stance that BSI should voluntarily file for bankruptcy. Should BSI be unwilling to confirm in writing, before close of business on October 2<sup>nd</sup>, 2018 that it will agree to do so, then BDC will be opposing any extension to the current stay of proceedings and moving forward to protect its interests, including but not limited to bringing its own application for a bankruptcy order under s.43 (1) of the *Bankruptcy and Insolvency Act*, R.S.C 1985 B-3.

Yours very truly,

*For* Darren D. O'Keefe  
Cox & Palmer  
Solicitors for Business Development Bank of Canada



**Exhibit "C"**



Morcan Machine Services Limited (1) Weekly Cash Flow Projection													
Week ending (Friday)	1 11/15/2019	2 11/22/2019	3 11/29/2019	4 12/6/2019	5 12/13/2019	6 12/20/2019	7 12/27/2019	8 1/3/2020	9 1/10/2020	10 1/17/2020	11 1/24/2020	12 1/31/2020	Total
Opening line of credit balance	42,041	(139,531)	(180,328)	(385,011)	(378,625)	(138,315)	(283,055)	(364,573)	(453,042)	(448,617)	(264,668)	(311,652)	(402,147)
Cash inflow													
Collection of sales - Gov't of NL	-	-	-	-	352,428	-	-	-	-	374,575	-	-	-
Collection of sales - R Harvest	-	-	-	108,675	-	-	-	-	112,298	-	-	-	-
Collection of sales - Shredding	-	188,945	54,981	-	-	-	182,850	-	-	-	121,900	-	112,298
Collection of sales - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total inflows (A)	-	188,945	54,981	108,675	352,428	-	182,850	-	112,298	374,575	121,900	-	112,298
Cash outflows													
Operating expenses													
Compensation and related expenses (Attach)	84,118	58,504	94,046	44,950	89,118	44,950	98,115	44,950	89,118	44,950	53,500	7,497	77,450
Payment of trade accounts payable	71,898	-	-	22,500	-	75,000	-	-	-	75,000	-	-	-
Payment to East Coast Hydraulics	-	-	-	-	-	-	-	-	3,735	-	-	-	-
Payment to DAV	-	-	-	-	35,000	-	-	-	-	35,000	-	-	-
Debt servicing and lease payments (Attach)	4,826	86,003	6,450	-	-	7,940	89,055	-	-	4,826	91,884	-	-
Operating expenses and credit card pay (Attach)	20,750	7,600	22,898	2,839	15,000	8,350	17,146	43,589	15,000	8,350	15,000	27,998	15,239
Professional fees	-	-	10,000	-	-	-	-	-	-	-	-	-	-
ROC P & I Arrangements (B51)	-	69,025	-	-	-	-	-	-	-	-	-	-	-
ROC Interest only (B51)	-	8,500	-	-	-	8,500	-	-	-	-	-	-	-
Professional fees	-	-	16,750	-	-	-	-	-	-	-	8,500	-	-
Vinecrest Investments LLC	-	-	-	-	-	-	-	-	-	-	-	-	-
Neil Teststone Appliance	-	-	3,000	-	-	-	-	-	-	-	-	-	-
Alfonse Consulting Engineering	-	-	3,500	-	-	-	-	-	-	-	-	-	-
Bayne & Bayne LP	-	-	-	-	10,000	-	-	-	-	7,500	-	-	-
Cor & Palmer (ROC Legal)	-	-	-	-	5,000	-	-	-	-	-	-	-	-
Stewart McElwain (BMS Legal)	-	-	-	-	5,000	-	-	-	-	-	-	-	-
HST Current	-	-	80,000	-	-	-	60,000	-	-	-	-	55,000	-
Corporate tax arrears	-	-	-	-	15,000	-	-	-	-	15,000	-	-	-
Total outflows (B)	181,592	229,722	236,644	70,289	174,118	144,740	264,318	88,539	107,853	190,626	168,884	90,495	92,689
Weekly cash flow (A-B)	(181,592)	(40,777)	(184,663)	38,386	188,310	(144,740)	(81,468)	(88,539)	4,445	183,949	(46,984)	(90,495)	19,609
Projected ending line of credit balance	(139,531)	(380,328)	(365,011)	(326,625)	(138,315)	(283,055)	(364,573)	(453,042)	(448,617)	(264,668)	(311,652)	(402,147)	(382,539)

	1	2	3	4	5	6	7	8	9	10	11	12	13
Week ending (Friday)	11/5/2018	11/12/2018	11/20/2018	11/27/2018	12/4/2018	12/11/2018	12/18/2018	12/25/2018	1/1/2019	1/8/2019	1/25/2019	2/1/2019	2/8/2019

Compensation and related expenses	
Net Payroll	84,118
Workplaces NL	84,118
Reactive General - Payroll Ded	7,497
NFLD Exchange (Happed Tax 2%)	44,950
Great West - Group Ins	7,144
	2,431
	6,500
	84,048
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THIS IS EXHIBIT "H" TO  
THE AFFIDAVIT OF

Robert Prince

Sworn to before me  
this 11 day of Dec, 2019



December 18, 2018

Tim Hill, QC  
Boyne Clarke LLP  
99 Wyse Road, Suite 600  
P.O. Box 876, Dartmouth Main  
Halifax Regional Municipality, NS B2Y 3Z5

By Email and Facsimile: [thill@boyneclarke.ca](mailto:thill@boyneclarke.ca)  
(902) 463 7500

Dear Mr. Hill:

Re: Norcon Marine Services Ltd. ("Norcon") Forbearance Agreement dated November 19, 2018, by and among Business Development Bank of Canada, Norcon, Glenn Burry and Sonia Burry (the "Forbearance Agreement").

---

We write to you in your capacity as counsel for Norcon, Glenn Burry and Sonia Burry on behalf of our client, the Business Development Bank of Canada ("BDC").

The Forbearance Agreement sets out a number of conditions which Norcon must comply with, including, but not limited to, sections 3 and 4. As of the date hereof, the following breaches of these provisions by Norcon have occurred:

1. Norcon has breached section 3(ii) by failing to provide BDC with written confirmation of a fully-executed forbearance agreement with the Bank of Nova Scotia ("BNS") acceptable to BDC. This confirmation was required to be provided by Norcon on or before November 30, 2018 and, as of the date hereof, BDC has not received any update with respect to the status of such a forbearance agreement; and
2. Norcon has breached section 4(xviii) by failing to provide BDC with bi-weekly reports on the status of its refinancing efforts, including, but not limited to, the required information set out in section 4(xviii).

(collectively, the "Breaches")

**Darren D. O'Keefe | Partner**

Direct 709 570 5509 Main 709 738 7800 Fax 709 738 6994 Email [dokeefe@coxandpalmer.com](mailto:dokeefe@coxandpalmer.com)  
Suite 1100 Scotia Centre 235 Water Street St. John's NL A1C 1B6

December 18, 2018

As you are aware, notwithstanding BDC's agreement to forbear from further legal action during the term of the Forbearance Agreement, section 5 provides that the Indebtedness shall become due and payable and BDC shall be entitled to proceed to fully enforce the Security held in support thereof if the provisions of the Forbearance Agreement are not met.

BDC does not waive any of its rights as set out in section 5 of the Forbearance Agreement, which section has now been triggered by the Breaches. Accordingly, please arrange to cure the Breaches at the earliest possible date.

Yours very truly,



for Darren D. O'Keefe

January 13, 2019

Tim Hill, QC  
Boyne Clarke LLP  
99 Wyse Road, Suite 600  
P.O. Box 876, Dartmouth Main  
Halifax Regional Municipality, NS B2Y 3Z5

By Email and Facsimile: [thill@boyneclarke.ca](mailto:thill@boyneclarke.ca)  
(902) 463 7500

Dear Mr. Hill:

**Re: Norcon Marine Services Ltd. ("Norcon") Forbearance Agreement dated November 19, 2018, by and among Business Development Bank of Canada, Norcon, Glenn Burry and Sonia Burry (the "Forbearance Agreement").**

---

We write to you in your capacity as counsel for Norcon, Glenn Burry and Sonia Burry on behalf of our client, the Business Development Bank of Canada ("BDC").

The Forbearance Agreement sets out a number of conditions which Norcon must comply with, including, but not limited to, sections 3 and 4. As of the date hereof, the following breaches of these provisions by Norcon have occurred:

1. Norcon has breached section 3(ii) by failing to provide BDC with written confirmation of a fully-executed forbearance agreement with the Bank of Nova Scotia ("BNS") acceptable to BDC. This confirmation was required to be provided by Norcon on or before November 30, 2018 and, as of the date hereof, BDC has not received any update with respect to the status of such a forbearance agreement;
2. Norcon has breached section 4(xviii) by failing to provide BDC with bi-weekly reports on the status of its refinancing efforts, including, but not limited to, the required information set out in section 4(xviii);

**Darren D. O'Keefe | Partner**

*Direct* 709 570 5509 *Main* 709 738 7800 *Fax* 709 738 6994 *Email* [dokeefe@coxandpalmer.com](mailto:dokeefe@coxandpalmer.com)  
Suite 1100 Scotia Centre 235 Water Street St. John's NL A1C 1B6



January 13, 2019

3. Norcon has breached section 4(iv) by failing to pay the accrued interest outstanding on Burry's Shipyard Inc. loans with BDC for the month of December 2018; and
4. Norcon has breached section 4(xvi) by failing to provide BDC with bi-weekly reports on the status of the Galatea Sale Process, including, but not limited to, the required information set out in section 4(xvi).

(collectively, the "Breaches")

As you are aware, notwithstanding BDC's agreement to forbear from further legal action during the term of the Forbearance Agreement, section 5 provides that the Indebtedness shall become due and payable and BDC shall be entitled to proceed to fully enforce the Security held in support thereof if the provisions of the Forbearance Agreement are not met.

BDC does not waive any of its rights as set out in section 5 of the Forbearance Agreement, which section has now been triggered by the Breaches. Accordingly, please arrange to cure the Breaches at the earliest possible date.

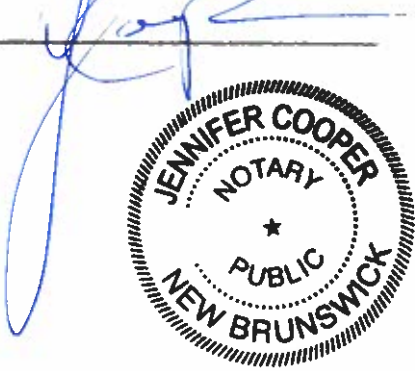
Yours very truly,

  
for Darren D. O'Keefe

THIS IS EXHIBIT " I " TO  
THE AFFIDAVIT OF

Robert Prinae

Sworn to before me  
this 11 day of Dec , 2019



May 16, 2019

**Norcon Marine Services Ltd.**

Attention: Tim Hill, solicitor for Norcon Marine Services Ltd.  
99 Wyse Road, Suite 600  
P.O. Box 876, Dartmouth Main  
Halifax, NS B2Y 3Z5

Dear Mr. Hill:

**Re: Indebtedness of Norcon Marine Services Ltd. ("NMSL") to Business Development Bank of Canada ("BDC")**

---

We are the solicitors for BDC with respect to the above-captioned matter and write in that capacity.

As you are aware, NMSL is indebted to BDC in connection with the following (the "Loans"):

1. Loan 033518-05 pursuant to a Letter of Offer dated November 26, 2012 between BDC and NMSL, as amended;
2. Loan 033518-10 pursuant to a Letter of Offer dated March 9, 2017 between BDC and NMSL; and
3. Loan 033518-11 pursuant to a Letter of Offer dated November 22, 2017 between BDC and NMSL.

As security for the indebtedness, BDC holds:

1. a General Security Agreement given by NMSL in favour of BDC dated 15 March 2017 (the "GSA");
2. Marine Mortgage on vessel MV Northern Seal from NMSL to BDC dated December 6, 2012;
3. Marine Mortgage on vessel MV Norcon Oceanus from NMSL to BDC dated December 17, 2012;
4. Marine Mortgage dated June 28, 2018 from NMSL to BDC over the vessel MV Norcon Galatea;
5. Marine Mortgage dated June 28, 2018 from NMSL to BDC over the vessel MV Norcon Triton;

**Darren D. O'Keefe** | Partner

Direct 709 570 5509 Main 709 738 7800 Fax 709 738 8994 Email [dokeefe@coxandpalmer.com](mailto:dokeefe@coxandpalmer.com)  
Suite 1100 Scotia Centre 235 Water Street St. John's NL A1C 1B6

6. Joint and Several Guarantee of Sonia Burry, Glenn Burry (collectively, the "**Personal Guarantors**") dated 6 December 2012 for 20% of the outstanding amount of Loan 033518-05;
7. Joint and Several Guarantee of the Personal Guarantors dated 15 March 2017 for 25% of the outstanding amount of Loan 033518-10;
8. Joint and Several Guarantee of the Personal Guarantors dated 24 November 2017 for 100% of the outstanding amount of Loan 033518-11; and
9. Cross-Collateralization Agreement dated 27 June 2018 between BDC, BSI, NMSL and the Personal Guarantors (the "**Cross-Collateralization Agreement**").

For the purposes of this Pre-Demand Letter we refer to the foregoing generally as the "**Security**".

As you are also aware, on 19 November 2018, a Forbearance Agreement was entered into between BDC, NMSL and the Personal Guarantors (the "**Forbearance Agreement**"), whereby BDC agreed to forbear on enforcing its Security in consideration for NMSL complying with the obligations set out in the Forbearance Agreement. On December 18, 2018, as well as on January 13, 2019, you were advised of NMSL's breaches of the Forbearance Agreement. The term of the Forbearance Agreement has since expired and, as such, NMSL's indebtedness is now due and payable and BDC is entitled to proceed to fully enforce the Security in accordance with the Forbearance Agreement, the Security and the Loans.

As of May 15, 2019, NMSL is indebted to BDC in the amount of \$767,269.63 (the "**NMSL Indebtedness**"). Pursuant to the Cross-Collateralization Agreement, NMSL is also responsible for the indebtedness of BSI to BDC (the "**BSI Indebtedness**"). As of May 15, 2019, the BSI Indebtedness totals \$1,248,652.08.

On October 27, 2018, BSI was deemed to have filed an assignment in bankruptcy pursuant to section 50.4(8) of the *Bankruptcy and Insolvency Act*; and, on October 28, 2018, BDO Canada Limited accepted an appointment by BDC as Receiver of BSI pursuant to the security agreements as between BSI and BDC. The Receiver is currently in the process of selling several assets of BSI pursuant to an agreement of purchase and sale, which was approved by the Supreme Court of Newfoundland and Labrador. The sale is expected to close late-May 2019 (the "**Closing Date**").

You are hereby notified that, in the absence of a Forbearance Agreement, we will be issuing a demand, forthwith, to NMSL for the total amount of the NMSL Indebtedness and the remaining BSI Indebtedness. Given the multiple breaches of the expired Forbearance Agreement, BDC does not expect to enter into a lengthy Forbearance Agreement, if any, with NMSL.

Yours very truly,  
  
Darren D. O'Keefe

THIS IS EXHIBIT "J" TO  
THE AFFIDAVIT OF

Robert Prince

Sworn to before me  
this 11 day of Dec, 2019

[Signature]



October 28<sup>th</sup>, 2019

✓ **Norcon Marine Services Ltd.**

Attention: Tim Hill, solicitor for Norcon Marine Services Ltd.  
99 Wyse Road, Suite 600  
P.O. Box 876, Dartmouth Main  
Halifax, NS B2Y 3Z5

The Guarantors:

**Glenn and Sonia Burry**  
100 Station Road,  
Glovertown, NL, A0G 2L0

Dear Mr. Hill, Mr. and Mrs. Burry:

**Re: Indebtedness of Norcon Marine Services Ltd. ("NMSL") to Business Development Bank of Canada ("BDC")**

---

We are the solicitors for BDC with respect to the above-captioned matter and write in that capacity.

As you are aware, NMSL is indebted to BDC in connection with the following (the "Loans"):

1. Loan 033518-05 pursuant to a Letter of Offer dated November 26, 2012 between BDC and NMSL, as amended;
2. Loan 033518-10 pursuant to a Letter of Offer dated March 9, 2017 between BDC and NMSL; and
3. Loan 033518-11 pursuant to a Letter of Offer dated November 22, 2017 between BDC and NMSL.

As security for the indebtedness, BDC holds:

1. a General Security Agreement given by NMSL in favour of BDC dated 15 March 2017 (the "GSA");
2. Marine Mortgage on vessel MV Northern Seal from NMSL to BDC dated December 6, 2012;

**Darren D. O'Keefe** | Partner

Direct 709 570 5609 Main 709 738 7800 Fax 709 738 6994 Email [dokeefe@coxandpalmer.com](mailto:dokeefe@coxandpalmer.com)  
Suite 1100 Scotia Centre 235 Water Street St. John's NL A1C 1B6

October 28, 2019

3. Marine Mortgage on vessel MV Norcon Oceanus from NMSL to BDC dated December 17, 2012;
4. Marine Mortgage dated June 28, 2018 from NMSL to BDC over the vessel MV Norcon Galatea;
5. Marine Mortgage dated June 28, 2018 from NMSL to BDC over the vessel MV Norcon Triton;
6. Joint and Several Guarantee of Sonia Burry, Glenn Burry (collectively, the "Personal Guarantors") dated 6 December 2012 for 20% of the outstanding amount of Loan 033518-05;
7. Joint and Several Guarantee of the Personal Guarantors dated 15 March 2017 for 25% of the outstanding amount of Loan 033518-10;
8. Joint and Several Guarantee of the Personal Guarantors dated 24 November 2017 for 100% of the outstanding amount of Loan 033518-11; and
9. Cross-Collateralization Agreement dated 27 June 2018 between BDC, BSI, NMSL and the Personal Guarantors (the "Cross-Collateralization Agreement").

For the purposes of this Demand Letter we refer to the foregoing generally as the "Security".

As of October 25<sup>th</sup>, 2019, NMSL is indebted to BDC in the amount of \$509,884.16 (the "NMSL Indebtedness"), as the October payments have not been returned as of yet. Pursuant to the Cross-Collateralization Agreement, NMSL is also responsible for the indebtedness of BSI to BDC (the "BSI Indebtedness"). As of October 25<sup>th</sup>, 2019, the BSI Indebtedness totals \$833,881.73, itemized as follows:

1. Loan 068720-01 in the amount of \$579,250.15;
2. Loan 068720-04 in the amount of \$163,333.53; and
3. Loan 068720-05 in the amount of \$91,298.05.

You are hereby notified that, in the absence of a forbearance agreement, BDC is in a position to immediately issue formal demands on NMSL due to the outstanding BSI Indebtedness, along with s.244 Notices under the *Bankruptcy and Insolvency Act*. BDC's decision to hold off on these demands at present should not be construed as a waiver of BDC's strict rights under the Security.

BDC is in receipt of NMSL's cash-flow forecasts (the "forecasts") provided by email on October 22<sup>nd</sup>, 2019. At this time, BDC is requesting that NMSL provide it with a detailed proposal as to how it intends to meet its payment obligations on both the NMSL Indebtedness and the BSI Indebtedness over the next 12-month period, including its proposed principal and interest payments on both amounts during that period, its payments to other creditors during that period, as well as its proposed management of arrears currently payable to Canada Revenue Agency

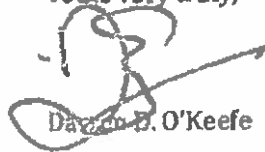
Finally, as it relates to the personal guarantors to whom this letter is also addressed, please note their joint and several liability under the various guarantees provided as part of the Security, is as follows:

1. 10% of 068720-01,
2. 25% of 068720-04, and
3. 100% of 068720-05.

October 28, 2019

BDC requires your response on the foregoing by 5:00 p.m. AST on November 1<sup>st</sup>, 2019.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Darren D. O'Keefe', with a long horizontal stroke extending to the right.

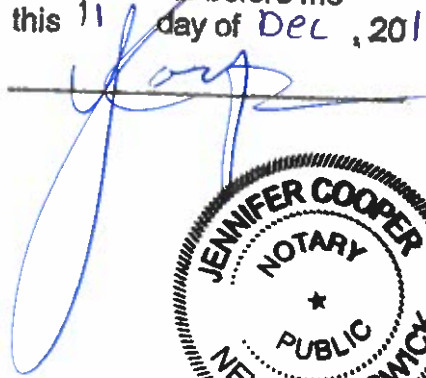
Darren D. O'Keefe



THIS IS EXHIBIT " V " TO  
THE AFFIDAVIT OF

Robert Prince

Sworn to before me  
this 11 day of Dec, 2019





November 7, 2019

**Norcon Marine Services Ltd.**  
Attention: Tim Hill, solicitor for Norcon Marine Services Ltd.  
99 Wyse Road, Suite 600  
P.O. Box 876, Dartmouth Main  
Halifax, NS B2Y 3Z5

The Guarantors:

**Glenn and Sonia Burry**  
100 Station Road,  
Glovertown, NL, A0G 2L0

Dear Mr. Hill, Mr. and Mrs. Burry:

**Re: Indebtedness of Norcon Marine Services Ltd. ("NMSL") to Business Development Bank of Canada ("BDC")**

---

We are the solicitors for BDC with respect to the above-captioned matter and write in that capacity.

As you are aware, NMSL is indebted to BDC in connection with the following (the "**Loans**"):

1. Loan 033518-05 pursuant to a Letter of Offer dated November 26, 2012 between BDC and NMSL, as amended;
2. Loan 033518-10 pursuant to a Letter of Offer dated March 9, 2017 between BDC and NMSL; and
3. Loan 033518-11 pursuant to a Letter of Offer dated November 22, 2017 between BDC and NMSL.

As security for the indebtedness, BDC holds:

1. a General Security Agreement given by NMSL in favour of BDC dated 15 March 2017 (the "**GSA**");
2. Marine Mortgage on vessel MV Northern Seal from NMSL to BDC dated December 6, 2012;

**Darren D. O'Keefe** | Partner

Direct 709 570 5509 Main 709 738 7800 Fax 709 738 6984 Email: dokeefe@coxandpalmer.com  
Suite 1100 Scotia Centre 235 Water Street St John's NL A1C 1B6

November 7, 2019

3. Marine Mortgage on vessel MV Norcon Oceanus from NMSL to BDC dated December 17, 2012;
4. Marine Mortgage dated June 28, 2018 from NMSL to BDC over the vessel MV Norcon Galatea;
5. Marine Mortgage dated June 28, 2018 from NMSL to BDC over the vessel MV Norcon Triton;
6. Joint and Several Guarantee of Sonia Burry, Glenn Burry (collectively, the "**Personal Guarantors**") dated 6 December 2012 for 20% of the outstanding amount of Loan 033518-05;
7. Joint and Several Guarantee of the Personal Guarantors dated 15 March 2017 for 25% of the outstanding amount of Loan 033518-10;
8. Joint and Several Guarantee of the Personal Guarantors dated 24 November 2017 for 100% of the outstanding amount of Loan 033518-11; and
9. Cross-Collateralization Agreement dated 27 June 2018 between BDC, BSI, NMSL and the Personal Guarantors (the "**Cross-Collateralization Agreement**").

For the purposes of this Demand Letter we refer to the foregoing generally as the "**Security**".

As of November 6th, 2019, NMSL is indebted to BDC in the amount of \$559,122.20 (the "**NMSL Indebtedness**"). Pursuant to the Cross-Collateralization Agreement, NMSL is also responsible for the indebtedness of BSI to BDC (the "**BSI Indebtedness**"). As of November 6th, 2019, the BSI Indebtedness totals \$836,380.43, itemized as follows:

1. Loan 068720-01 in the amount of \$580,967.65;
2. Loan 068720-04 in the amount of \$163,818.22; and
3. Loan 068720-05 in the amount of \$91,594.56.

The NMSL Indebtedness and the BSI Indebtedness (collectively, the "**Indebtedness**") is due and payable and BDC is entitled to proceed to fully enforce the Security in order to recover the Indebtedness.

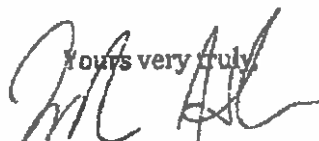
We wrote to you on October 28, 2019 requesting that NMSL provide BDC with a detailed proposal as to how it intends to meet its payment obligations on the Indebtedness over the next 12-month period, including its proposed principal and interest payments on the Indebtedness that period, its payments to other creditors during that period, as well as its proposed management of arrears currently payable to Canada Revenue Agency. Such information was required to be provided by NMSL by 5:00 p.m. AST on November 1<sup>st</sup>, 2019, but was only provided November 6<sup>th</sup>, 2019. BDC advises that the proposal is unsatisfactory.

Accordingly, BDC hereby demands immediate payment of the Indebtedness and you are hereby notified that if the Indebtedness, including per diem to the date of payment, is not received within ten (10) days of the date of receipt of this Demand Letter, BDC will take whatever steps it deems necessary to recover the Indebtedness which may include enforcing the Security. Accordingly, we also enclose a s. 244 Notice of Intention to Enforce Security under the *Bankruptcy and Insolvency Act*.

November 7, 2019

Finally, as it relates to the personal guarantors to whom this letter is also addressed, please note their joint and several liability under the various guarantees provided as part of the Security, is as follows:

1. 10% of 068720-01,
2. 25% of 068720-04, and
3. 100% of 068720-05.

  
Yours very truly,  
Darren D. O'Keefe

November 7, 2019

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Form 86)**

**TO:** Norcon Marine Services Ltd., an insolvent person within the meaning of the *Bankruptcy and Insolvency Act*

**TAKE NOTICE THAT:**

1. Business Development Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
  - a) personal property, including equipment, inventory, account, other personal property, and intangibles.
  - b) vessels, including the MV Northern Seal, the MV Norcon Oceanus, the MV Norcon Galatea and the MV Norcon Triton.
2. The security that is to be enforced is in the form of:
  - a) General Security Agreement dated 15 March 2017 made by Norcon Marine Services Ltd. ("NMSL") in favour of Business Development Bank of Canada ("BDC") in respect of which financing statements were registered in the Personal Property Registry for the Province of Newfoundland and Labrador;
  - b) Marine Mortgage on vessel MV Northern Seal from NMSL to BDC dated December 6, 2012;
  - c) Marine Mortgage on vessel MV Norcon Oceanus from NMSL to BDC dated December 17, 2012;
  - d) Marine Mortgage on vessel MV Norcon Galatea from NMSL to BDC dated June 28, 2018;
  - e) Marine Mortgage on vessel MV Norcon Triton from NMSL to BDC dated June 28, 2018; and
  - f) Cross-Collateralization Agreement dated 27 June 2018 between BDC, NMSL, Burry's Shipyard Inc. ("BSI"), Sonia Burry and Glenn Burry (the "Cross-Collateralization Agreement").

(For the purposes of this Notice, the foregoing is generally referred to as the "Security").
3. The total amount of the indebtedness secured by the Security as of November 6th, 2019 is \$1,395,502.63 together with accruing costs recoverable and accruing interest (the "Indebtedness"). The Indebtedness is itemized as follows:

November 7, 2019

- a) NMSL is indebted to BDC in the amount of \$559,122.20; and
  - b) Pursuant to the Cross-Collateralization Agreement, NMSL is also responsible for the indebtedness of BSI to BDC in the amount of \$836,380.43.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at St. John's, this 7<sup>th</sup> day of November 2019

**BUSINESS DEVELOPMENT BANK OF  
CANADA**



By its Solicitors, Cox & Palmer  
Suite 1100, Scotia Centre  
235 Water Street  
St. John's, NL A1C 1B6

November 7, 2019

**WAIVER**

Norcon Marine Services Ltd. acknowledges receipt of the foregoing Notice of Intention to Enforce Security (the "Notice") dated November 7th, 2019 given pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* by Business Development Bank of Canada and hereby waives the 10-day notice contained therein and consents to the immediate enforcement of the security mentioned therein.

We acknowledge that this consent is being provided subsequent to the sending of the Notice to Norcon Marine Services Ltd.

Dated at \_\_\_\_\_, Newfoundland and Labrador, this \_\_\_\_\_, day of \_\_\_\_\_, 2019.

**Norcon Marine Services Ltd.**

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

THIS IS EXHIBIT " L " TO  
THE AFFIDAVIT OF

Robert Prince

Sworn to before me  
this 11 day of Dec, 2019

[Signature]





1. Over the three-month period, a net positive cash balance is projected to be generated; this amount is \$197,001 per the NOI cash flow forecast.
2. On a monthly basis, BDC estimates the Debtor's debt servicing requirements to be as follows:

**Payments to be made by Norcon Marine Services Ltd. - monthly**

<u>Creditor</u>	<u>Loan</u>	<u>Principal</u>	<u>Interest (est)</u>	<u>Total</u>
BDC	033518-05	\$37,430	\$4,000	\$41,430
BDC	033518-10	\$3,284	\$200	\$3,484
BDC	033518-11	\$1,388	\$800	\$2,188
Scotiabank (Triton-est)				\$27,750
Scotiabank OLC (est)			\$2,191	\$2,191
BDC (BSI shortfall)			\$6,371	\$6,371
<b>Total</b>				<b>\$83,414</b>

3. Evidently, over the three-month period being forecast, such monthly payments would exceed cash generated by over \$50,000, if they were being made.
4. Furthermore, this estimate of required repayment ignores payments required on the Scotiabank OLC, which needs to revolve, as well as principal payments on the Burry's Shipyard Inc. shortfall, which would be necessary. These amounts would add yet more burden onto the Debtor's ability to generate sustainable cash.



THIS IS EXHIBIT "M" TO  
THE AFFIDAVIT OF

Robert Prime

Sworn to before me  
this 11 day of Dec, 2019



**Philpott, Allison (St. John's)**

---

**From:** Philpott, Allison (St. John's)  
**Sent:** Wednesday, December 11, 2019 12:20 PM  
**To:** Philpott, Allison (St. John's)  
**Subject:** FW: Norcon Marine Results of Ferry Service Bids and plans going forward  
**Attachments:** GNL Media Release Feb 26, 2019.html

**From:** Robert Kennedy <[robert@theburrygroup.com](mailto:robert@theburrygroup.com)>  
**Sent:** February 28, 2019 10:09 AM  
**To:** FRENCH, Russell W. (TORONTO) <[RussellW.FRENCH@bdc.ca](mailto:RussellW.FRENCH@bdc.ca)>; PRINCE, Robert (MONCTON) <[robert.prince@bdc.ca](mailto:robert.prince@bdc.ca)>  
**Cc:** Glenn Burry <[glenn@theburrygroup.com](mailto:glenn@theburrygroup.com)>; Sonia Burry <[sonia@theburrygroup.com](mailto:sonia@theburrygroup.com)>; Paul Brown <[pbrown@theburrygroup.com](mailto:pbrown@theburrygroup.com)>  
**Subject:** Norcon Marine Results of Ferry Service Bids and plans going forward

Russel / Bob;

We learned via media release (attached) following c o b Tuesday that all five routes have been awarded to competitor (who previously had three of the routes). Offer prices appear to low for long term sustainability in our view but we assume that's a strategy.

We will continue present operation until March 31st with ferry service operational revenue payments extending into April. In addition, in late March bid bond of \$60,000 will be received GNL. Also in April, GNL will be making a payment of \$ 247,000 in lieu of unused re-fit days.

We have been pursuing the growing aquaculture service vessel over the past two years; in particular as a hedge against Tuesday's outcome over the past two months we had discussed the potential availability of the Norcon Oceanus to go into similar service as the Norcon Triton. Yesterday, our customer Marine Harvest advised that they can use the Oceanus commencing late April on initially a short term commitment of two to three months. We believe that once deployed in that service, we can extend operations into a long term commitment similar to the Norcon Triton.

We are finalizing a revised 13 week cash flow forecast and will have this in circulation by c o b tomorrow, March 1st.

Russel, we look forward to out planned telecom this afternoon to discuss the above and address BDC's understandable concerns.

Regards,

Bob Kennedy

\*\*\*\*\*

**Confidentiality Warning:** This message and any attachments are intended only for the use of the intended recipient(s), are confidential, and may be privileged. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of this message and any attachments is strictly prohibited. If you are not the intended recipient, please notify the sender immediately by return email, and delete this message and any attachments from your system. Thank you!

**Information confidentielle:** Le présent message, ainsi que tout fichier qui y est joint, est (sont) envoyé(s) à l'intention exclusive de son ou (ses) destinataire(s); il est de nature confidentielle et peut faire l'objet d'une information privilégiée. Nous avisons toute personne autre que le destinataire prévu que tout examen, réacheminement, impression, copie, distribution ou toute autre utilisation de ce message et tout document joint est (sont) strictement interdit(s). Si vous n'êtes pas le destinataire prévu, veuillez en aviser immédiatement l'expéditeur par retour de courriel et supprimer ce message et tout document joint de votre système. Merci!

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**Transportation and Works**  
February 26, 2019

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## **New Ferry Contracts for South Coast of Newfoundland to Save Almost \$3 Million Annually**

The Department of Transportation and Works has awarded contracts for ferry services for seven communities on the south coast of the island portion of the province.

The total cost of all five contracts will be approximately \$6.8 million. In 2017-18, the same services cost approximately \$9.6 million representing an annual savings of approximately \$2.8 million.

There will be no change to existing service schedules or capacities under the five new contracts, which have been awarded to companies already operating in the region. A list of contracts is in the backgrounder below.

Two of the five services will continue to use the same vessel. Three others ♦ South East Bight - Petite Forte; Rencontre East - Bay L ♦ Argent - Pool ♦ s Cove; and Hermitage - Gaultois - McCallum ♦ will see vessels that formerly serviced other runs in the region and are of similar age and capacities as the previous vessels.

All contracts have been secured for a two-year term, with the possibility of two further one-year renewals.

### **Quote**

♦ It has been a challenge to finalize ferry services that will continue to meet the needs of residents on the south coast in a way that is responsible for all taxpayers. We have found a solution that strikes a good balance, allowing the same level of service for area residents to continue while realizing substantial annual savings. ♦

Honourable Steve Crocker

Minister of Transportation and Works

- 30 -

### **Learn more**

[Marine Services](#)

Follow us on Twitter: [@GovNL](#)  and [@TW\\_GovNL](#) 

### **Media contact**

Rod Drover

Transportation and Works

709-729-1758, 730-4607

[rodneycdrover@gov.nl.ca](mailto:rodneycdrover@gov.nl.ca)

## **BACKGROUNDER**

Route	Service Provider	Vessel	Annual Cost
La Poile	Puddister Shipping Ltd.	MV Challenger One	\$1,257,790
Francois - Grey River	Puddister Trading Co. Ltd.	MV Marine Voyager	\$1,436,650
Hermitage - Gaultois ♦ McCallum	Puddister Trading Co. Ltd.	MV Marine Eagle	\$1,436,640
Rencontre East	Puddister Shipping Ltd.	MV Terra Nova	\$1,432,990
South East Bight	Puddister Shipping Ltd.	MV Marine Coaster III	\$1,268,740

2019 02 26

3:05 p.m.

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THIS IS EXHIBIT " N " TO  
THE AFFIDAVIT OF

Robert Prince

Sworn to before me  
this 11 day of Dec, 2019

[Signature]





**Philpott, Allison (St. John's)**

---

**From:** Philpott, Allison (St. John's)  
**Sent:** Wednesday, December 11, 2019 12:26 PM  
**To:** Philpott, Allison (St. John's)  
**Subject:** FW: Norcon Marine: Vessel Contracts / Commntments 2019 through 2020

**From:** Robert Kennedy <[robert@theburrygroup.com](mailto:robert@theburrygroup.com)>  
**Sent:** November 5, 2019 9:16 AM  
**To:** Nelson, Bronwyn <[Bronwyn.Nelson@scotiabank.com](mailto:Bronwyn.Nelson@scotiabank.com)>  
**Cc:** [neel.chopra@scotiabank.com](mailto:neel.chopra@scotiabank.com) <[neel.chopra@scotiabank.com](mailto:neel.chopra@scotiabank.com)>; PRINCE, Robert (MONCTON) <[robert.prince@bdc.ca](mailto:robert.prince@bdc.ca)>; Glenn Burry <[glenn@norconmarine.ca](mailto:glenn@norconmarine.ca)>; Paul Brown <[pbrown@theburrygroup.com](mailto:pbrown@theburrygroup.com)>  
**Subject:** Norcon Marine: Vessel Contracts / Commntments 2019 through 2020

Hi Bronwyn,

Below is the summary of the forecast vessel deployments going forward.

We are incorporating this information into a 2020 cash flow forecast that will illustrate how and when Norcon can address its CRA debt as well as its BDC & BNS obligations; and of course its payables. The most challenging period runs from this December through March 2020.

The forecast will be circulated later this week.

**Remaining 2019:**

Norcon Triton \$5,250/day presently working for Cookes Aquaculture until weather curtails operations.

Norcon Oceanus berthed. MOWI is presently considering using the vessel during cleanup of their salmon kill problem on NL south coast.

Eidsvaag Sirius \$600/day, berthed for winter. Operations curtailed earlier than usual due to MOWI issue above.

**Forecast 2020:**

**M V Eidsvaag Sirius**

Jan, Feb, Mar \$600/day Berthed for winter

Apr through Nov \$5,300/day normal operations, salmon feed delivery for Skretting Canada.

tentative Dec through Mar 2021 \$5,300/day cotton seeds/maize Texas to northern Mexico

**M V Norcon Triton**

Jan, Feb berthed for winter

tentative Mar, Apr \$5,250/day Cookes Aquaculture

May through September \$8,000/day PGS offshore geophysical

Oct, Nov \$5,250/day Cookes Aquaculture

M V Norcon Oceanus

Jan through Apr berthed for winter Possibility of work with MOWI. Also looking for short term work through the period.

May through September \$8,000/day PGS offshore geophysical

Nov, Dec AKVA support work for new aquaculture development

Regards,

Bob Kennedy

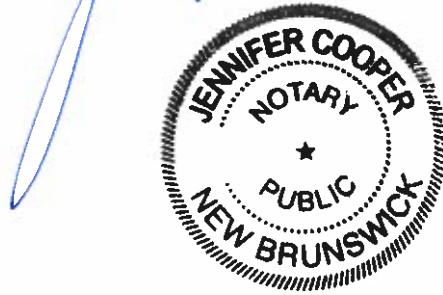
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THIS IS EXHIBIT 'O' TO  
THE AFFIDAVIT OF  
Robert Prince

Sworn to before me  
this 11 day of Dec, 2019



## Philpott, Allison (St. John's)

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**From:** Philpott, Allison (St. John's)  
**Sent:** Wednesday, December 11, 2019 12:36 PM  
**To:** Philpott, Allison (St. John's)  
**Subject:** FW: Norcon Forbearance Agreement Non-Core Asset Sales (Glovertown Properties)  
**Attachments:** Norcon Properties Update Number 2, December 5, 2018.xlsx

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**From:** PRINCE, Robert (MONCTON) [<mailto:robert.prince@bdc.ca>]  
**Sent:** Tuesday, December 10, 2019 8:01 PM  
**To:** O'Keefe, Darren (St. John's); Philpott, Allison (St. John's)  
**Subject:** FW: Norcon Forbearance Agreement Non-Core Asset Sales (Glovertown Properties)

**From:** Robert Kennedy <[robert@theburrygroup.com](mailto:robert@theburrygroup.com)>  
**Sent:** December 5, 2018 1:43 PM  
**To:** PRINCE, Robert (MONCTON) <[robert.prince@bdc.ca](mailto:robert.prince@bdc.ca)>; Neel Chopra <[neel.chopra@scotiabank.com](mailto:neel.chopra@scotiabank.com)>  
**Cc:** Glenn Burry <[glenn@theburrygroup.com](mailto:glenn@theburrygroup.com)>; Sonia Burry <[sonia@theburrygroup.com](mailto:sonia@theburrygroup.com)>; Paul Brown <[pbrown@theburrygroup.com](mailto:pbrown@theburrygroup.com)>  
**Subject:** Norcon Forbearance Agreement Non-Core Asset Sales (Glovertown Properties)

Bob / Neel,

Attached is update #2 for the properties.

regards,

Bob Kennedy

\*\*\*\*\*

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**STATUS: Properties**    **to be Sold**    **Update # 2**    **New Forbearance**    **Agreement**    **5-Dec-18**

*Agency Agreement extended with Exit Realty Grand Central, Beverly Kane, Manager*

<b><u>Owned Personally</u></b>		<b><u>Mortgage</u></b>	<b><u>Plan</u></b>	<b><u>Price</u></b>	<b><u>Status</u></b>
218 Main Street North	house & land	\$160,000.00	Sold M Burry	\$ 190,000.00	Ner Proceeds \$7,200
27-29 Main Street North	house & land	\$118,000.00	Sold-L Collins	\$ 127,000.00	Sold Net Proceeds taken by Hughes Brannan LLP
7 Pine Tree Road	house & land	\$100,000.00	Sold-T Burry July 28th	\$ 140,000.00	Net proceeds \$1,700

<b><u>Owned by Norcon</u></b>		<b><u>Mortgage</u></b>	<b><u>Plan</u></b>	<b><u>Price</u></b>	<b><u>Status</u></b>
Clay Cove, Glovertown	land	debt free	sell	\$ 69,000.00	listing renewed Aug 14th
2 Pine Tree Road	land	debt free	sell	\$ 99,000.00	listing renewed Aug 14th
12-16 Main Street	land	debt free	sell	\$ 149,000.00	listing renewed Aug 14th
92 Station Road	bldg & land	debt free	sell	\$ 99,900.00	listing renewed Aug 14th

N.B.

<sup>1</sup> There have been no developments in the past two weeks. The market remains soft in and around Glovertown with considerable inventory of properties on offer.