

JOHN ORR

CONTACT INFORMATION AND ADDRESS FOR SERVICE:

Name of firm:	McDougall Gauley LLP
Name of lawyer in charge of file:	Ian A. Sutherland
Address of legal firm:	500-616 Main Street Saskatoon, SK S7H 0J6
Telephone / fax number:	(306) 665-5417 / (306) 652-1323
Email address (if any):	<u>isutherland@mcdougallgauley.com</u>

December 19, 2017

McDougall Gauley LLP
500-616 Main Street
Saskatoon SK
S7H 0J6

THIS IS EXHIBIT "A" REFERRED TO IN
THE EIGHTH SUPPLEMENTARY AFFIDAVIT
OF JOHN ORR SWORN BEFORE ME AT
SASKATOON, IN THE PROVINCE OF
SASKATCHEWAN, THIS 19TH DAY OF
DECEMBER, 2017.

A COMMISSIONER FOR OATHS FOR
SASKATCHEWAN
Being a Solicitor

Attention: Ian A. Sutherland, McDougall Gauley LLP, Counsel for the Borrower

Re: Term Sheet – Debtor in Possession Facility for 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.

You have advised us that 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd. (collectively, the "**Borrowers**") intend to apply to the Court of Queen's Bench for Saskatchewan, Judicial Centre of Saskatoon for an extension of \$2,500,000 in existing DIP financing plus an additional \$1,300,000 under the *Companies' Creditors Arrangement Act* (the "CCAA").

You have further advised us that it is the Borrowers' intention to remain in possession and control of their assets and business during the course of the CCAA proceedings. Affinity Credit Union 2013 (the "**Lender**") is pleased to offer its commitment to provide to the Borrower with the financing described herein during the CCAA proceeding, subject to the terms and conditions of this Commitment Letter.

BORROWERS:	101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd.								
PURPOSE OF FINANCING:	<table><tbody><tr><td>To repay previous DIP Facility of CAD</td><td>\$2,000,000</td></tr><tr><td>And repay Secondary DIP Facility of CAD</td><td>\$ 500,000</td></tr><tr><td>Plus additional DIP financing of CAD</td><td><u>\$1,300,000</u></td></tr><tr><td>Total DIP Facility CAD</td><td>\$3,800,000</td></tr></tbody></table>	To repay previous DIP Facility of CAD	\$2,000,000	And repay Secondary DIP Facility of CAD	\$ 500,000	Plus additional DIP financing of CAD	<u>\$1,300,000</u>	Total DIP Facility CAD	\$3,800,000
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Plus additional DIP financing of CAD	<u>\$1,300,000</u>								
Total DIP Facility CAD	\$3,800,000								
INTEREST:	Advances under the DIP Facility shall bear interest at the Lender's Prime Rate of Interest from time to time (currently 3.2%) plus 6.8% per annum calculated daily and compounded monthly.								
PROPOSED FUNDING:	The first tranche of the additional DIP financing in of a minimum amount of CAD\$800,000 with the second tranche of CAD \$500,000 at any time prior to the maturity of this DIP facility.								
TERM:	The entire DIP Facility plus interest is due in full June 30, 2018, subject to renewal on mutually-satisfactory terms.								
PAYMENT:	Interest only payments payable on the 1 st of each month with the entire principal and interest due at maturity. The Borrowers may repay any or all of their obligations under the DIP Facility (including principal, interest, costs and any other amounts) at any time without notice, bonus or penalty.								

DOCUMENTATION AND SECURITY:

The Borrowers shall provide or cause to be provided, the security and agreements listed below, in form and substance satisfactory to the Lender, including, but not limited to:

1. DIP Financing Agreement, evidencing a First priority court ordered charge on all of the existing and after-acquired real and personal property, assets, and undertakings of the Borrowers that is subject only to:

(a) the Administration Charge granted by the Court up to maximum amount of \$150,000;

(b) in respect of all current and future assets, undertakings and property of any nature and kind whatsoever, and wherever situate, including all proceeds thereof, of 101149825 Saskatchewan Ltd. (collectively, the "Saskatoon Property"), the Charge shall rank behind the Administration Charge, the mortgage in favour of Firm Capital Mortgage Fund Inc. registered as Interest Register No. 121088167, the mortgage in favour of Frank Pa registered as Interest Register No. 121113155,

2. Such further security and other documentation that the Lender and its solicitor may reasonably require.

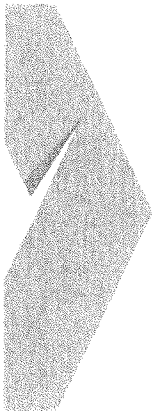
ASSIGNMENTS:

The Lender may assign or transfer or grant participations in its rights or obligations in whole or in part at any time without notice to or consent of the Borrowers.

ONGOING COVENANTS:

Each of the Borrowers covenants and agrees with the Lender and acknowledges that the Lender is relying on such covenants and agreements in providing the DIP Facility, that they shall observe and perform, or cause the observance and performance of each of the following covenants:

- (a) the Borrowers shall deliver to the Lender:
 - (i) any further loan and security documents to be executed in relation to the DIP Facility in such form and content as the Lender may reasonably require;
 - (ii) on a monthly basis not later than 10 days following the end of each calendar month, a consolidated cash flow statement of the Borrowers;
 - (iii) on a monthly basis not later than 10 days following the end of such calendar month, evidence of payment of all debts, liabilities and obligations the failure of which to pay would result in a Priority Claim or in a breach of the CCAA Order or this Term Sheet;

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- (iv) as and when due for delivery to any other creditor or the shareholders of the entity, copies of all other financial reports to be delivered to such parties;
 - (v) on a monthly basis, not later than 10 days following the end of each calendar month Cash Flow Projections updated from the projections most recently provided;
 - (vi) such other detailed financial information as the Lender may from time to time reasonably require;
 - (vii) all in form and certified in a manner and by a person satisfactory to the Lender and shall furnish to the Lender promptly on request such other information respecting the financial condition, business, operations, properties and assets of the Borrowers as the Lender may from time to time reasonably require;
- (b) it shall not make any payment to, do anything materially inconsistent with or use any proceeds other than strictly in accordance with the Cash Flow Projections, the CCAA Order and this Term Sheet;

CONDITIONS:

Availability of the DIP Facility is conditional upon, but not limited to:

1. Acceptance by the Borrowers of this Commitment Letter;
2. The Borrowers obtaining an Order in form and content satisfactory to the Lender and Lender's Counsel, authorizing the borrowing under the Total DIP Facility;
3. An Order granting a First Charge in favour of the Lender over all existing and after-acquired real and personal property, assets and undertakings of the Borrowers as security for repayment of the Total DIP Facility, and all interest, fees, expenses and other amounts payable by the Borrowers;
4. Delivery and registration of the security in a form acceptable to the Lender;
5. The Borrowers having paid statutory liens, trust and other Crown Claims including confirmation of paid property taxes on the subject property

FACILITY FEE:

\$50,000 upon acceptance of this DIP Facility Commitment.

COSTS:

The costs of all appraisals and environmental reports, the legal costs of the Lender, cost consultant and insurance consultant and all other out-of-pocket costs and expenses incurred in the approval and making

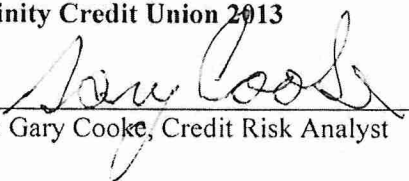
of the Secondary DIP Facility and the preparation, execution, delivery, registration and discharge of the security or in the collection of any amount owing under the terms of the Secondary DIP Facility shall be for the account of the Borrowers and may be debited to advances to be made under the terms of the Secondary DIP Facility. Until paid, all such costs and expenses shall bear interest at the rate described under the Interest Rate section of this Agreement.

ACCEPTANCE:

This Commitment Letter must be accepted by the Borrowers by December 31, 2017 after which this commitment before null and void.

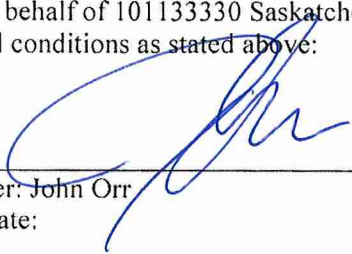
Yours truly,

Affinity Credit Union 2013


Per: Gary Cooke, Credit Risk Analyst



On behalf of 101133330 Saskatchewan Ltd. and 101149825 Saskatchewan Ltd., I agree with the terms and conditions as stated above:


Per: John Orr
Date:

December 19, 2017

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500-616 Main Street
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S7H 0J6

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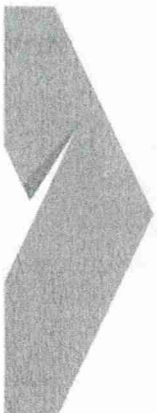
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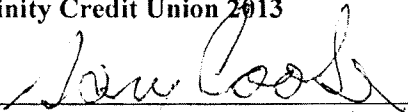
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Yours truly,

Affinity Credit Union 2013


Per: Gary Cooke, Credit Risk Analyst



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Per: John Orr
Date: