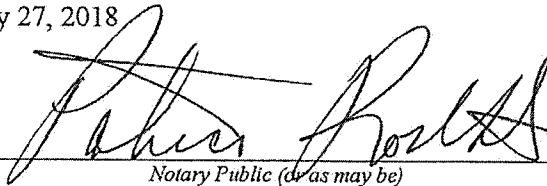


EXHIBIT “E”

This is Exhibit "E" referred to in the Affidavit of Frank V. Tannura
sworn July 27, 2018



Notary Public (or as may be)

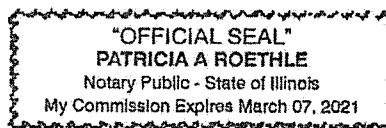


EXHIBIT "E"



BDCID: 10003810107

Letter of Offer dated December 2, 2015

Safety Seal Plastics Inc.
120 Nebo Road
Unit 2
Hamilton, ON
L8W 2E4

Attention of: Mr. Frank Tannura

Re: Loan No. 096107-01

In accordance with this letter of offer of credit as amended from time to time (the "Letter of Offer"), Business Development Bank of Canada ("BDC") is pleased to offer you the following loan (hereinafter individually or collectively referred to as the "Loan"). The Letter of Offer is open for acceptance until December 12, 2015 (the "Acceptance Date") after which date it shall become null and void.

LOAN PURPOSE AND FUNDING

Loan Purpose

Purchase Shrink Sleeve production line	1,500,000.00
Equipment Goodwill (client list)	500,000.00
	<hr/>
	2,000,000.00

Funding

BDC 096107-01	1,500,000.00
Owner Investment	500,000.00
	<hr/>
	2,000,000.00

No change to the Loan Purpose or Funding may be made without BDC's prior written consent. The proceeds of the Loan may only be used for the Loan Purpose.

DEFINITIONS

In the Letter of Offer, capitalized terms have the meanings described in Schedule "A" – Section I or are defined elsewhere in the text of the Letter of Offer.

Business Development Bank of Canada
Commerce House Building, 50 Queen Street North Suite 110
Kitchener, ON N2H6P4
www.bdc.ca

Canada

LENDER

BDC

BORROWER

Safety Seal Plastics Inc. (the "**Borrower**")

GUARANTOR

Michael L. Bedrosian

(Hereinafter individually or collectively referred to as the "**Guarantor**"). The terms of each guarantee are set forth in the Security section below.

LOAN AMOUNT

Loan 096107-01: \$1,500,000.00

INTEREST RATE

The Loan and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the following rate:

Floating Rate

BDC's Floating Base Rate plus a variance of 2.00% per year (the "**Variance**"). On the date hereof, BDC's Floating Base Rate is 4.70% per year.

INTEREST CALCULATION

Interest shall be calculated monthly on the outstanding principal, commencing on the date of the first disbursement, both before and after maturity, Default and judgement.

Arrears of interest or principal and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the rate applicable to the Loan and shall be calculated and compounded monthly.

REPAYMENT

Principal of the Loan is repayable according to the following. The balance of the Loan in principal and interest and all other amounts owing pursuant to the Loan Documents shall become due and payable on the Maturity Date (the "**Maturity Date**").

Regular

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
96	Monthly	15,625.00	22-04-2016	22-03-2024

In addition, interest is payable monthly on the 22nd day of the month (the “**Payment Date**”) commencing on the next occurring Payment Date following the first advance on the Loan.

Maturity Date: March 22, 2024 (the “**Maturity Date**”).

PREPAYMENT

Annual Prepayment Privilege: Provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 month period, prepay up to 15% of the outstanding principal on any Loan without indemnity. The first prepayment can be made at any time more than one year after December 1, 2015. The prepayment privilege is not cumulative and each prepayment on an individual Loan must be at least 12 months subsequent to the last prepayment on that same loan. The prepayment privilege is not transferable from one individual Loan to another and is not applicable if any Loan is being repaid in full.

In addition to the annual privilege, the Borrower may prepay at any time all or part of the principal provided that the Borrower pays the interest owing up to the time of the prepayment together with an indemnity equal to:

If the interest rate on the Loan is a floating rate:

- three months further interest on the principal prepaid at the floating interest rate then applicable to the Loan.

If the interest rate on the Loan is a fixed rate:

- the sum of (a) three months further interest on the principal prepaid at the fixed interest rate then applicable to the Loan; and (b) the Interest Differential Charge.

Partial prepayments shall be applied regressively on the then last maturing instalments of principal.

SECURITY

The Loan, interest on the Loan and all other amounts owing pursuant to the Loan Documents shall be secured by the following (the “Security”):

Loan 096107-01

1. General Security Agreement from Safety Seal Plastics Inc. providing:
 1. A first security interest in the specific equipment being financed under this Loan (details to be provided by the solicitor and equipment list to be provided by BDC as per Appraisal dated September 30, 2015); and
 2. A security interest in all other present and after-acquired personal property, except consumer goods, subject to all existing prior charges including charges in favour of a Chartered Bank in support of an Operating Line of Credit (postponed interest in Accounts Receivables and Inventory).
2. Personal Guarantee of Michael L. Bedrosian for \$500,000. The guarantor agrees that he is directly responsible for the payment of the cancellation, standby and legal fees.
3. Postponement of a \$1,500,000 debt owed to Packaging Growth Investors LLC. Providing the BDC Loan is in good standing, interest may be paid at 6% per annum, upon meeting financial covenants as follows:
 - Available funds coverage ratio of minimum 1.25:1.
 - Long term debt to tangible equity ratio of maximum 1.0:1.
4. Landlord's waiver of distraint.

DISBURSEMENT

The Loan funds shall be disbursed as follows:

Loan 096107-01

1. When all security documents are in place and all loan conditions are satisfied, BDC will disburse via Bank approved solicitor “in trust” as follows:
 - 100% of the amount representing Purchase Shrink Sleeve Production Line up to \$1,500,000. Borrower will be allowed to repay \$1,000,000 to Packaging Growth Investors LLC to reimburse for part of the short term loan used to close the subject equipment transaction.

Physical inspection by a BDC representative of the expenditures under the Loan Purpose is to be completed within 30 days of the disbursement.

Within 30 days of the disbursement, BDC will receive an equipment list from the Borrower (to be supplied by BDC) and inspection shall confirm the list along with all serial numbers.

Unless otherwise authorized, funds for each Loan account number shall be disbursed to the solicitor or notary who shall confirm to BDC the execution, delivery and registration of the Security relating to the Loan.

CONDITIONS PRECEDENT

Any obligation to make any advance under the Letter of Offer is subject to the following conditions being fulfilled to the satisfaction of BDC:

1. Receipt of the Security in form and substance satisfactory to BDC registered as required to perfect and maintain the validity and rank of the security, and such certificates, authorizations, resolutions and legal opinions as BDC may reasonably require.
2. Satisfactory review of all financial information relating to the Borrower and any corporate Guarantor and their respective business as BDC may reasonably require.
3. No Default or Event of Default shall have occurred.
4. No Material Adverse Change shall have occurred.
5. Provision of documents evidencing expenditures under the Loan Purpose, if applicable.
6. Satisfaction of all applicable disbursement conditions contained in the Disbursement section of this Letter of Offer.

UNDERLYING CONDITIONS

The following conditions shall apply throughout the term of the Loan:

1. Throughout the life of the loan, Borrower will maintain a minimum working capital ratio of 1.2:1, a long term debt/ tangible equity ratio not exceeding 1.25:1 and available funds coverage of 1.25 times.

REPRESENTATIONS AND WARRANTIES

The Borrower makes the representations and warranties in Schedule "A" – Section II. These representations and warranties shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Borrower pursuant to the Loan Documents.

COVENANTS

So long as any amount owing pursuant to the Loan Documents remains unpaid, the Borrower and any corporate Guarantor shall perform the covenants in Schedule "A" – Section III.

REPORTING OBLIGATIONS

The Borrower (and if applicable the corporate Guarantor) shall provide to BDC within 90 days of its (their) fiscal year end the following financial statements:

Company	Type	Frequency	Period Ending
Safety Seal Plastics Inc.	Audited	Annual	March
Bedrosian Holdings Inc.	Notice to Reader	Annual	March
Packaging Growth Investors LLC	Notice to Reader	Annual	March

and such other financial and operating statements and reports as and when BDC may reasonably require.

EVENTS OF DEFAULT

The occurrence of any of the events listed in Schedule "A" – Section IV constitutes an event of default under the Letter of Offer (each an "Event of Default"). If an Event of Default occurs, any obligation of BDC to make any advance, shall, at BDC's option, terminate and BDC may, at its option, demand immediate payment of the Loan and enforce any Security.

FEES

Cancellation Fee

If the Borrower does not draw on the Loan by the Lapsing Date indicated below (the "Lapsing Date"), the Loan shall lapse and be cancelled and the Borrower and the Guarantor shall pay BDC the applicable cancellation fee indicated below. If the Loan is partially disbursed on the Lapsing Date, the Borrower and Guarantor shall pay BDC a percentage of the cancellation fee in proportion to the percentage of the Loan that is cancelled. No cancellation fee will be payable if 50% or more of the Loan has been disbursed.

The cancellation fee is payable on demand and is liquidated damages, not a penalty, and represents a reasonable estimate of BDC's damages should the Loan be cancelled or allowed to lapse in whole or in part.

Lapsing Date: December 1, 2016 (the "Lapsing Date").
Cancellation Fee: \$45,000.00 (the "Cancellation Fee").

Standby Fee

The Borrower and the Guarantor shall pay BDC a non-refundable standby fee calculated at a rate as indicated below on the portion of the Loan which has not been advanced or cancelled excluding the Consulting portion and/or Future Interest Reserve. This fee shall be calculated daily and be payable in arrears commencing on the date indicated below and on each Payment Date thereafter.

Loan 096107-01

Rate: 1.50% per annum
Date: June 1, 2016

Legal Fees and Expenses

The Borrower and the Guarantor shall pay, on demand, all legal and other out-of-pocket costs of BDC incurred in connection with the Loan and the Loan Documents including the enforcement of the Loan and the Loan Documents, whether or not any documentation is entered into or any advance is made to the Borrower. All legal and other out-of-pocket expenses of BDC in connection with any amendment or waiver related to the Loan and the Loan documents shall also be for the account of the Borrower.

Loan Management Fee

The Borrower shall pay BDC an annual management fee as indicated below. This management fee is payable annually on the Payment Date immediately following each anniversary of the first advance of the specific Loan account number. This fee is non-refundable and is subject to change.

\$750.00 per year (the “**Management Fee**”)

Transaction Fees

The Borrower shall pay BDC loan amendment and Security processing fees charged for the administrative handling of the Loan.

CONFLICTS

The Loan Documents constitute the entire agreement between BDC and the Borrower. To the extent that any provision of the Letter of Offer is inconsistent with or in conflict with the provisions of the other Loan Documents, such provision of the Letter of Offer shall govern.

INDEMNITY

The Borrower shall indemnify and hold BDC harmless against any and all claims, damages, losses, liabilities and expenses incurred, suffered or sustained by BDC by reason of or relating directly or indirectly to the Loan Documents save and except any such claim, damage, loss, liability and expense resulting from the gross negligence or wilful misconduct of BDC.

GOVERNING LAW

This Letter of Offer shall be governed by and construed in accordance with the laws of the jurisdiction in which the Business Centre of BDC is located as shown on the first page of this Letter of Offer.

SUCCESSORS AND ASSIGNS

The Letter of Offer shall extend to and be binding on the Borrower and BDC and their respective successors and assigns. BDC, in its sole discretion, may assign, sell or grant participation in (a "transfer") all or any part of its rights and obligations under this Letter of Offer or the Loan to any third party, and the Borrower agrees to sign any documents and take any actions that BDC may reasonably require in connection with any such transfer. Upon completion of the transfer, the third party will have the same rights and obligations under this Letter of Offer as if it were a party to it, with respect to all rights and obligations included in the transfer and BDC will be released to the extent of any interest under this Letter of Offer or the Loan it assigns. BDC may disclose information it has in connection with the Borrower or any Guarantor to any actual or prospective transferee. No Borrower or Guarantor shall have the right to assign any of its rights or obligations under or pursuant to the Loan Documents without BDC's prior written consent.

ACCEPTANCE

The Letter of Offer and any modification of it may be executed and delivered by original signature, fax, or any other electronic means of communication acceptable to BDC and in any number of counterparts, each of which is deemed to be an original and all of which taken together shall constitute one and the same Letter of Offer.

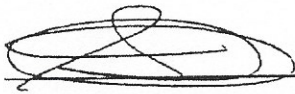
SCHEDULE

The Letter of Offer includes Schedule "A" which contains Definitions, Representations and Warranties, Covenants, Events of Default and General Terms and Conditions. Schedule "A" has been inserted after the signature page and forms an integral part of the Letter of Offer.

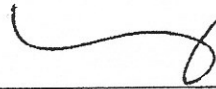
LANGUAGE CLAUSE

The parties hereby confirm their express wish that the Letter of Offer and all related documents be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente lettre d'offre ainsi que tous les documents qui s'y rattachent soient rédigés en langue anglaise.

Should you have any questions regarding the Letter of Offer, do not hesitate to communicate with one of the undersigned.



Sam Kunuram
Senior Account Manager
Phone: (519) 585-2875
Fax: (519) 571-6685
Sam.KUNURAM@bdc.ca



Kirk Irving
Manager, Business Centre
Phone: (519) 571-5699
Fax: (519) 571-6685
Kirk.IRVING@bdc.ca

ACCEPTANCE

The parties accept the terms and conditions set forth above and in the attached Schedule "A".

This _____ day of _____ 20____.

Safety Seal Plastics Inc.

_____, Authorized Signing Officer

Name: _____
[Please print name of signing party]

GUARANTOR

Michael L. Bedrosian

December 2, 2015

SECTION I - DEFINITIONS

"Available Funds" – means in respect of the Borrower and any corporate Guarantor for any period of 12 months, the sum of the net profits before non-recurring or non-operating items that are not related to normal operations (as designated by the external accredited accountant) plus depreciation and amortization; plus deferred income taxes; and minus dividends.

"Available Funds Coverage Ratio" – means the ratio of Available Funds over the current portion of Term Debt.

"BDC's Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its base rate and, as the case may be, subject to a discount for the duration, applicable to each of BDC's fixed interest rate plans then in effect for determining the fixed interest rates on Canadian dollar loans.

"BDC's Floating Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its floating rate then in effect for determining the floating interest rates on Canadian dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's Floating Base Rate.

"BDC's US Dollar Floating Base Rate" – means the 1-month US Dollar floating base rate set the last business day of each month for the following month for determining the floating interest rates on US Dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's US Dollar Floating Base Rate. BDC's US Dollar Floating Base Rate for the period from the date of the first advance on the Loan to the first business day of the following month will be the 1-month US Dollar floating base rate as established by BDC on the first business day of the month in which the funds are disbursed. Thereafter, the 1-month US Dollar Floating Base Rate may vary on the first business day of each month.

"Corresponding Fixed Interest Rate Plan" – means, at any time in respect of a prepayment, the fixed interest rate plan then being offered by BDC to its clients equal to the number of years, rounded to the nearest year (minimum of one year), from the date such prepayment is received to the next scheduled Interest Adjustment Date (or the Maturity Date if earlier).

"Default" – means an Event of Default or any condition that, with the giving of notice, the passage of time or otherwise, is susceptible of being an Event of Default.

"GAAP" – means generally accepted accounting principles in Canada applied consistently.

"GAAP for Private Enterprises" – means generally accepted accounting principles approved by the Accounting Standards Board for financial reporting for private companies in Canada who have elected not to adopt IFRS.

"IFRS" – means International Financial Reporting Standards approved by the Accounting Standards Board for accounting for publicly accountable enterprises and private enterprises who have voluntarily decided to adopt this set of standards.

"Interest Adjustment Date" – means, in respect of any fixed interest rate plan, the day after the Interest Expiration Date of such fixed interest rate plan.

"Interest Differential Charge" – means, in respect of the prepayment of the Loan or any portion of the Loan on a fixed interest rate plan, if, on the date of the prepayment, the BDC's Base Rate for the Corresponding Fixed Interest Rate Plan is lower than the BDC's Base Rate in effect when the Borrower entered or renewed the fixed interest rate plan, whichever is most recent, the amount calculated as follows:

- (i) the difference between the two rates;
- (ii) such interest differential is multiplied by the principal that would have been outstanding at each future Payment Date until the next Interest Adjustment Date (or the maturity of the principal if earlier);
- (iii) the Interest Differential Charge is the present value of those monthly amounts calculated using BDC's Base Rate for the Corresponding Fixed Interest Rate Plan as the discount rate. In the case of partial prepayment, the Interest Differential Charge will be reduced in the same proportion as the amount prepaid bears to the principal outstanding on the Loan at the time prepayment is received. If the Loan is secured by a mortgage or a hypothec on real estate and the Loan is prepaid in full after 5 years from the date of the mortgage or hypothec, the Interest Differential Charge shall not be payable if the mortgage or hypothec is given by an individual and shall only be payable if permitted under the Interest Act.

"Interest Expiration Date" – means the date on which a fixed interest rate plan expires.

"Loan" – shall have the meaning indicated in the Letter of Offer, or, as the context may require, at any time the unpaid principal balance of the Loan.

"Loan Documents" – means, collectively, the application for financing, the Letter of Offer, the security contemplated by the Letter of Offer and all other documents, instruments and agreements delivered in connection with the foregoing.

"Material Adverse Change" – means:

- (i) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of the Borrower or any corporate Guarantor,
- (ii) a material impairment of the ability of the Borrower or any corporate Guarantor to perform any of their obligations under any Loan Document, or
- (iii) a material adverse effect upon any substantial portion of the assets subject to security in favour of BDC or upon the legality, validity, binding effect, rank or enforceability of any Loan Document.

"Person" – includes any natural person, corporation, company, Limited Liability Company, trust, joint venture, association, incorporated organization, partnership, governmental authority or other entity.

"Tangible Equity" – means the sum of the share capital [owners' capital for non-incorporated businesses]; plus retained earnings [accumulated net income]; plus subordinated loans or advances from the shareholders [owners] and related businesses; minus loans or advances to the shareholders [owners], directors, related or non-related businesses.

"Term Debt" – means the sum of the long-term debt plus the capital leases including the current portion to be paid over the next 12 months; plus the book value of preferred shares subject to a formal redemption agreement, if any.

"Term Debt to Tangible Equity Ratio" – means the ratio of the Term Debt over the Tangible Equity.

"Working Capital Ratio" – means the ratio of the total current assets over the total current liabilities. Current assets include the following: cash on deposit, accounts receivable (trade and other), inventory and prepaid expenses. Current liabilities include the following: bank advances, cheques in transit, accounts payable (trade and other) and the current portion due within the next 12 months of all long term debts.

SECTION II - REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to BDC that:

1. It is a partnership, trust or corporation, as the case may be, duly constituted, validly existing and duly registered or qualified to carry on business in each jurisdiction where it is required by applicable laws to be so registered or qualified.
2. The execution, delivery and performance of its obligations under the Letter of Offer and the other Loan Documents to which it is a party have been duly authorized and constitute legal, valid and binding obligations enforceable in accordance with their respective terms.
3. It is not in violation of any applicable law, which violation could lead to a Material Adverse Change.
4. No Material Adverse Change exists and there are no circumstances or events that constitute or would constitute, with the lapse of time, the giving of notice or otherwise, a Material Adverse Change.
5. No Default or Event of Default exists.
6. All information provided by it to BDC is complete and accurate and does not omit any material fact and, without limiting the generality of the foregoing, all financial statements delivered by it to BDC fairly present its financial condition as of the date of such financial statements and the results of its operations for the period covered by such financial statements, all in accordance with GAAP.
7. There is no pending or threatened claim, action, prosecution or proceeding of any kind including but not limited to non-compliance with environmental law or arising from the presence or release of any

contaminant against it or its assets before any court or administrative agency which, if adversely determined, could lead to a Material Adverse Change.

8. In respect of properties and assets charged to BDC, it has good and marketable title, free and clear of any encumbrances, except those encumbrances which BDC has accepted in writing.

The foregoing representations and warranties shall remain in force and true until the Loan is repaid in full.

SECTION III - COVENANTS

The Borrower and each corporate Guarantor shall:

1. Perform their obligations and covenants under the Loan Documents.
2. Maintain in full force and effect and enforceable the Security contemplated by this Letter of Offer.
3. Notify BDC immediately of the occurrence of any Default under the Letter of Offer or any other Loan Documents.
4. Comply with all applicable laws and regulations.
5. Keep all secured assets insured for physical damages and losses on an "All-Risks" basis, including Equipment Breakdown (or Boiler & Machinery) where applicable, for their full replacement value and cause all such insurance policies to name BDC as loss payee as its interests may appear. The policies shall also name BDC as mortgagee and include a standard mortgage clause in respect of buildings over which BDC holds Security; and
as further Security, assign or hypothecate all insurance proceeds to BDC; and
if requested by BDC, maintain adequate general liability insurance and environmental insurance to protect it against any losses or claims arising from pollution or contamination incidents, or any other type of insurance it may reasonably require, and to provide copies of such policies; and maintain all policies of insurance in effect for the duration of the Loan.
6. Notify BDC immediately of any loss or damage to their property.
7. Without limiting the generality of paragraph 4 above, in relation to their business operations and the assets and projects of their business, operate in conformity with all environmental laws and regulations; make certain that their assets are and shall remain free of environmental damage; inform BDC immediately upon becoming aware of any environmental issue and promptly provide BDC with copies of all communications with environmental authorities and all environmental assessments; pay the cost of any external environmental consultant engaged by BDC to effect an environmental audit and the cost of any environmental rehabilitation or removal necessary to protect, preserve or remediate the assets, including any fine or penalty BDC is obligated to incur by reason of any statute, order or directive by a competent authority.
8. Promptly pay all government remittances, assessments and taxes including real estate taxes and provide BDC with proof of payments as BDC may request from time to time.
9. Promptly furnish to BDC such information, reports, certificates and other documents concerning the Borrower and any corporate Guarantor as BDC may reasonably request from time to time.
10. Not, without the prior written consent of BDC,
 - a. Change the nature of their business.
 - b. Amalgamate, merge, acquire or otherwise restructure their business, or create an affiliated company, or sell or otherwise transfer a substantial part of their business or any substantial part of their assets, or grant any operating license.
 - c. Permit any Person holding Equity Interests in the Borrower or any corporate Guarantor or in any Person that controls directly or indirectly the Borrower or any corporate Guarantor, to sell or transfer their Equity Interests in such Borrower or corporate Guarantor, or permit the Borrower or any corporate Guarantor or any Person that directly or indirectly controls the Borrower or any corporate Guarantor to issue any Equity Interests to any Person which is not a Borrower or a corporate Guarantor.

"Equity Interests" means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated) of such Person's capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, which carry

the right to vote on the election of directors or individuals exercising similar functions in respect of such Person and/or which entitle their holder to participate in the profits of such Person.

This provision shall not apply to any Borrower or any corporate Guarantor who is a Public Issuer.

"Public Issuer" means any Borrower or any corporate Guarantor whose Equity Interests are listed or posted for trading on the Toronto Stock Exchange or the TSX Venture Exchange or any other stock exchange or over-the-counter market acceptable to BDC.

11. Not engage in, or permit their premises to be used by a tenant or other Person, for any activity which BDC, from time to time, deems ineligible, including without limitation any of the following ineligible activities:

- a. businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; businesses that are engaged in or associated with illegal activities; businesses trading in countries that are proscribed by the Federal Government;
- b. businesses that operate as stand-alone nightclubs, bars, lounges, cabarets, casinos, discotheques, video arcades, pool and billiard halls, and similar operations; or
- c. businesses that promote nudism and naturism.

BDC's finding that there is an ineligible activity shall be final and binding between the parties and will not be subject to review. The prohibitions set out in this paragraph 11 shall also apply to any entity that controls, is controlled by, or that is under the common control with, any Borrower and any corporate Guarantor.

SECTION IV - EVENTS OF DEFAULT

1. The Borrower fails to pay any amount owing under or pursuant to the Loan Documents.
2. The Borrower fails to comply with or to perform any provision of the Letter of Offer or the other Loan Documents.
3. The Borrower and/or the Guarantor is in default under any other agreement with BDC or any third party for the granting of a loan or other financial assistance and such default remains unremedied after any cure period provided in such other agreement.
4. Any representation or warranty made by the Borrower or any corporate Guarantor in any Loan Document is breached, false or misleading in any material respect, or becomes at any time false.
5. Any schedule, certificate, financial statement, report, notice or other writing furnished by the Borrower or corporate Guarantor to BDC in connection with the Loan is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.
6. The Borrower or corporate Guarantor becomes insolvent or generally fails to pay, or admits in writing their inability or refusal to pay their debts as they become due; or any Borrower or corporate Guarantor applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Borrower or corporate Guarantor or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for the Borrower or corporate Guarantor for a substantial part of the property of such party; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of such party, or any Borrower or corporate Guarantor takes any action to authorize, or in furtherance of, any of the foregoing.
7. The Borrower ceases or threatens to cease to carry on all or a substantial part of their business.
8. Without the prior written consent of BDC, the occurrence of a change of control of the Borrower (as determined by BDC) who is not a Public Issuer.
9. The Borrower or any corporate Guarantor is in violation of any applicable law relating to terrorism or money laundering, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).
10. In the event that either a) any Person or group of Persons, acting jointly or in concert, that already owns 20% or more of the outstanding Equity Interests of a Public Issuer, acquires a number of Equity Interests from such Public Issuer or from any third party that would result in such Person or group of Persons owning more than 50% of the outstanding Equity Interests of such Public Issuer or b) any Person or

group of Persons, acting jointly or in concert, that does not already own 20% or more of the outstanding Equity Interests of a Public Issuer, acquires a number of Equity Interests from such Public Issuer or from any third party that would result in such Person or group of Persons owning at least 20% of the outstanding Equity Interests of such Public Issuer, BDC may review the Loan and may require that the Loan, together with interest and any other amounts then outstanding, be repaid within sixty (60) days. Should the Borrower fail to repay the Loan, accrued interest, and all other amounts outstanding within sixty (60) days of the demand by BDC under this provision, the Borrower shall be in Default and same shall constitute an Event of Default.

SECTION V - GENERAL TERMS AND CONDITIONS

The Borrower and each Guarantor agree to the following additional provisions:

Other Available Interest Rate Plans

Upon acceptance of the Letter of Offer, the Borrower can select one of BDC's other available fixed or floating interest rate plans. If the selection is made before the Acceptance Date, there is no fee and the selected plan shall be based on BDC's Base Rate in effect on the Loan Authorization Date. If the selection is made after the initial Acceptance Date, there is a fee and an Interest Differential Charge may apply. The new rate shall become effective on the fourth day following receipt of the request by BDC. However, in the event of a period of increased interest rate volatility, which will be determined by a fluctuation of greater than 0.5% during the same transaction day of the yield to maturity of the five-year Canada bond benchmark, the Bank reserves the right to suspend the borrower's right to switch from a floating interest rate plan to a fixed interest rate plan.

Standby Fee Date Change When Switching From Floating to Fixed Rate Plans

If the Borrower changes to a fixed interest rate plan within 2 months after the Loan Authorization Date, the standby fee shall be effective two months after the Loan Authorization Date. If the change to a fixed interest rate plan occurs later than two months after the Loan Authorization Date, the standby fee shall be effective on the date the new fixed interest plan takes effect.

Interest Adjustment Date

Provided no Default has occurred and is continuing, prior to each Interest Adjustment Date, BDC shall advise the Borrower of BDC's Base Rates then in effect for the fixed interest rate plans available. Not later than on the current interest Expiration Date, the Borrower shall select a new interest rate plan. If the Borrower selects a new fixed interest rate plan, effective on the Interest Adjustment Date, the interest rate for the Loan shall be BDC's Base Rate applicable to the fixed interest rate plan selected by the Borrower adjusted by the Variance which new rate shall be applicable until the next Interest Expiration Date. If the Loan is on a fixed interest rate plan with blended payments of principal and interest, the repayment schedule shall be adjusted on each Interest Adjustment Date. If the Borrower has not advised BDC in writing of its choice before an Interest Adjustment Date, the Loan shall automatically switch to BDC's floating interest rate plan on the Interest Adjustment Date with an interest rate being BDC's Floating Base Rate as adjusted by the Variance. Outstanding principal for blended payment loans shall then be divided in equal monthly instalments to be paid until Maturity Date.

In the event BDC should demand repayment of the Loan by reason of an Event of Default, any fixed interest rate applicable at the time of demand shall continue to apply to the Loan until full repayment and shall not be adjusted at the next Interest Adjustment Date.

Pre-Authorized Payment System

All payments provided for in the Letter of Offer must be made by pre-authorized debits from the Borrower's bank account. The Borrower shall sign all documentation required to that effect and provide a sample cheque marked void.

Application of Payments

All payments shall be applied in the following order:

1. any prepayment indemnity (including the monthly interest and Interest Differential Charge)
2. protective disbursements;
3. standby fees (arrears and current);

4. arrears, in the following order: transaction fees, administration fees, management fees, interest and principal;
5. current balances, in the following order: transaction fees, management fees, interest and principal;
6. cancellation fees;
7. credits to the tax reserve account and asset maintenance and upgrade account, if applicable; and
8. other amounts due and payable.

Other than regular payments of principal and interest, BDC may apply any other monies received by it, before or after Default, to any debt the Borrower may owe BDC under or pursuant to the Letter of Offer or any other agreement and BDC may change those applications from time to time.

Consent to Obtaining Information

The Borrower and any corporate Guarantor authorize BDC, from time to time, to obtain financial, compliance, account status and any other information about a Borrower and any corporate Guarantor and their respective business from their accountants, their auditors, any financial institution, creditor, credit reporting or rating agency, credit bureau, governmental department, body or utility.

Notices

Notices must be in writing and may be given in person, or by letter sent by fax, mail, courier or electronically; if to the Borrower, at the Borrower's address above or such other addresses as the Borrower may advise BDC in writing, or if to BDC, at BDC's address above.

Joint and Several Liability

Where in the Loan Documents, any covenant, agreement, warranty, representation or obligation is made or imposed upon two or more Persons or a party comprised of more than one Person, each such covenant, agreement, warranty, representation or obligation shall be deemed to be and be read and construed as a joint and several (solidary in Quebec) covenant, agreement, warranty, representation or obligation of each such Person or party, as the case may be. Without limiting the generality of the foregoing, each Borrower shall be jointly and severally (solidarily) liable with each other to BDC for the full performance of all obligations under the Loan Documents.

Anti- Money Laundering/Know Your Client

The Borrower and each Guarantor acknowledge that, pursuant to prudent banking practices in respect of "knowing your client", BDC, in compliance with its internal policies, is required to verify and record information regarding the Borrower and each Guarantor, their directors, authorized signing officers, shareholders and other Persons in control of the Borrower and each Guarantor. The Borrower and each Guarantor shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by BDC or any prospective assignee or other financial institution participating in the Loan with BDC, in order to comply with internal policies and applicable laws on anti-money laundering and anti-terrorist financing.

Confidentiality

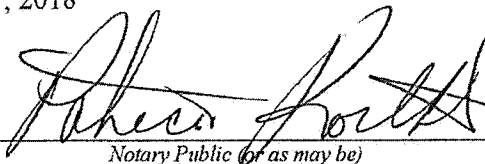
The Borrower and each Guarantor shall not disclose the contents of this Letter of Offer to anyone except its professional advisors.

Changes in Accounting Standards

In the event that a Borrower or any Guarantor adopts any changes in accounting standards, including but not limited to GAAP for Private Enterprises and International Financial Reporting Standards (IFRS), which have an effect on any provision in the Letter of Offer relying on financial statement calculations, BDC may amend such provision to reflect the original intent of the provision.

EXHIBIT “F”

This is Exhibit "F" referred to in the Affidavit of Frank V. Tannura
sworn July 27, 2018



Notary Public (or as may be)



EXHIBIT "F"



GENERAL SECURITY AGREEMENT

THIS ASSIGNMENT dated December 22, 2015.

BETWEEN:

SAFETY SEAL PLASTICS INC.
(the "Borrower")

AND:

BUSINESS DEVELOPMENT BANK OF CANADA, with a business centre at
50 Queen Street North, Suite 110, Kitchener, Ontario N2H 6P9
(the "Bank")

1. SECURITY INTEREST

(You, as the Borrower, will grant to the Bank a charge, referred to as a security interest, over all personal property now held or in the future held or acquired by you. You will also grant a charge, referred to as a floating charge, over your complete undertaking. These charges are the security the Bank will hold in consideration of lending you funds or providing the credit facility to you.)

1.1 For consideration the Borrower hereby:

(a) mortgages and charges as a fixed and specific charge, and assigns and transfers to the Bank, and grants to the Bank a general and continuing security interest in all of the Borrower's present and after acquired personal property including, without limitation:

(i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");

(ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");

(iii) all debts, accounts, claims, demands, moneys and choses in action which now are, or which may at any time be, due or owing to or owned by the Borrower and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, moneys and choses in action (all of which is collectively called the "Accounts");

- (iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Borrower that is not Equipment, Inventory or Accounts;
 - (v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Borrower (all of which is collectively called the "Intellectual Property");
 - (vi) all the Borrower's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Borrower, and all other intangible property of the Borrower, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;
 - (vii) the personal property described in Schedule "A" attached to this Agreement and all additions thereto and replacements thereof; and
 - (viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;
- (b) grants to the Bank a general and continuing security interest and charges by way of a floating charge:
- (i) all of the undertaking and assets of the Borrower, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of the Bank created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

1.3 The schedules, including definitions, form part of this Security Agreement.

2. EXCEPTIONS

(With few exceptions, all of your personal property is subject to the security interests and charges described in Clause 1.1. Only the last day of any lease term and possibly your consumer goods are excepted. Corporations do not hold consumer goods.)

2.1 The last day of the term created by any lease or agreement is excepted out of any charge or the Security Interests but the Borrower shall stand possessed of the reversion and shall remain upon trust to assign and dispose of it to any third party as the Bank shall direct.

2.2 All the Borrower's consumer goods are excepted out of the Security Interests.

3. ATTACHMENT

(Value or consideration has flowed between you and the Bank and the Security Interests in your personal property are complete once you sign this Security Agreement.)

The Borrower agrees that the Security Interests attach upon the signing of this Security Agreement (or in the case of after acquired property, upon the date of acquisition), that value has been given, and that the Borrower has (or in the case of after acquired property, will have upon the date of acquisition) rights in the Collateral and the Borrower confirms that there has been no agreement between the Borrower and the Bank to postpone the time for attachment of the Security Interests and that it is the Borrower's understanding that the Bank intends the Security Interests to attach at the same time.

4. PURCHASE MONEY SECURITY INTEREST

(To the extent that the Bank helps you acquire an interest in any personal property, you grant a special security interest to the Bank over that personal property. The special security interest is known as a "Purchase Money Security Interest".)

The Borrower acknowledges and agrees that the Security Interests constitute and are intended to create Purchase Money Security Interests in Collateral to the extent that moneys advanced by the Bank, including all future advances and re-advances, are used or are to be used, in whole or in part, to purchase or otherwise to acquire rights in Collateral.

5. OBLIGATIONS SECURED

(The Security Interests and charges you have granted to the Bank secure all indebtedness and all obligations to the Bank.)

This Security Agreement is in addition to and not in substitution for any other security interest or charge now or in the future held by the Bank from the Borrower or from any other person and shall be general and continuing security for the payment and performance of all indebtedness, liabilities and obligations of the Borrower to the Bank (including interest thereon), whether incurred prior to, at the time of or after the signing of this Security Agreement including extensions and renewals, and all other liabilities of the Borrower to the Bank, present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, including all advances on current or running account, future advances and re-advances of any loans or credit by the Bank and the Borrower's obligation and liability under any contract or guarantee now or in the future in existence whereby the Borrower guarantees payment of the debts, liabilities and/or obligations of a third party to the Bank, and for the performance of all obligations of the Borrower to the Bank, whether or not contained in this Security Agreement (all of which indebtedness, liabilities and obligations are collectively called the "Obligations").

6. REPRESENTATIONS AND WARRANTIES

(You state that you are able to legally grant this Security Agreement to the Bank, it will be binding and the Collateral is not subject to any encumbrances that have not been approved by the Bank. You own the Collateral and nothing prevents you from granting the Security Interests and charges in favour of the Bank. The Bank will rely on all of the following representations and warranties.)

6.1 The Borrower represents and warrants to the Bank that:

- (a) if a corporation, it is a corporation incorporated and organised and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Security Agreement are within its corporate powers, have been authorised and do not contravene, violate or conflict with any law or the terms and provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Borrower is a party or by which it is bound;
- (b) if it is a corporation, its name as set forth on page 1 of this Security Agreement is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Borrower has provided a written memorandum to the Bank accurately setting forth all prior names under which the Borrower has operated;
- (c) if it is a partnership, its name as set forth on page 1 is its full, true and correct, and where required or voluntarily registered its registered, name; it is a partnership validly created and organised and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it; it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Agreement are within its powers, have been authorised, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Borrower is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership are set forth on a Schedule attached to this Security Agreement;

- (d) if the Borrower is an individual, that individual's full name and address provided to the Bank are the individual's full and correct name and address and the individual's date of birth as described on the individual's birth certificate a true copy of which has been provided to the Bank or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to the Bank is the individual's correct birth date;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Collateral or the Borrower, in which a decision adverse to the Borrower would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Borrower; and the Borrower agrees to promptly notify the Bank of any such future litigation or governmental proceeding;
- (f) it does not have any information or knowledge of any facts relating to its business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to the Bank in writing and which, if known to the Bank, might reasonably be expected to deter the Bank from extending credit or advancing funds to the Borrower;
- (g) it has good title and lawfully owns and possesses all presently held Collateral, free from all security interests, charges, encumbrances, liens and claims, save only the Security Interests and the charges or security interests consented to in writing by the Bank, and it has not granted any licenses in or of its Intellectual Property other than as disclosed and consented to by the Bank;
- (h) to the extent that any of the Collateral includes serial numbered goods and motor vehicles which require serial number registration by virtue of the Act and its regulations including motor vehicles, trailers, manufactured homes, mobile homes, boats, outboard motors for boats or aircraft, the Borrower has given the full and correct serial numbers and any Ministry of Transport designation marks or other relevant licensing authority marks of all such Collateral to the Bank;
- (i) the Collateral is and/or will be located at the place(s) described in Schedule "A" and will not be removed from such location(s) without the prior written consent of the Bank;
- (j) this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Borrower, if the Borrower is a corporation, or, if the Borrower is a partnership, of the partners of the Borrower, and all other requirements have been fulfilled to authorise and make the execution and delivery of this Security Agreement, and the performance of the Borrower's obligations valid and there is no restriction contained in the constating documents of the Borrower or in any shareholders agreement or partnership agreement which restricts the powers of the authorised signatories of the Borrower to borrow money or give security; and
- (k) the Borrower's place(s) of business and chief executive office have been correctly provided to the Bank.

7. COVENANTS OF THE BORROWER

(The Security Interests and the Collateral must be protected while the Security Agreement remains in effect. These covenants are your promises to the Bank describing how the Bank's Security Interests will be attended to. You will also covenant to maintain accurate books and records and allow the Bank's inspection. Your promises are found in the Security Agreement and Schedules.)

- 7.1 The Borrower covenants with the Bank that while this Security Agreement remains in effect the Borrower will:
- (a) promptly pay and satisfy the Obligations as they become due or are demanded;
 - (b) defend the title to the Collateral for the Bank's benefit, against the claims and demands of all persons;
 - (c) fully and effectually maintain and ensure that the Security Interests are and continue to be valid and effective;

- (d) maintain the Collateral in good condition and repair and provide adequate storage facilities to protect the Collateral and not permit the value of the Collateral to be impaired;
- (e) observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (f) forthwith pay and satisfy:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Borrower shall in good faith contest its obligations so to pay and shall furnish to the Bank such security as the Bank may require;
 - (ii) all security interests, charges, encumbrances, liens and claims which rank or could rank in priority to, or on an equal basis with, any of the Security Interests; and
 - (iii) all fees from time to time chargeable by the Bank arising out of any term of the commitment letter between the Bank and the Borrower including, without limitation, inspection, administration and returned cheque handling fees;
- (g) forthwith pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) which may be incurred by the Bank in connection with granting loans or credit to the Borrower, including for:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, registering or renewing the registration of this Security Agreement and the Security Interests, any Financing or Financing Change Statement, any modification or amending agreement and other documents relating to the Borrower's obligations, whether or not relating to this Security Agreement;
 - (iii) complying with any disclosure requirements under the Act;
 - (iv) investigating title to the Collateral;
 - (v) taking, recovering, keeping possession and disposing of the Collateral;
 - (vi) maintaining the Collateral in good repair, storing the Collateral and preparing the Collateral for disposition;
 - (vii) any inspection, appraisal, investigation or environmental audit of the Collateral and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Collateral including any fine or penalty the Bank becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - (viii) all other actions and proceedings taken to preserve the Collateral, enforce this Security Agreement and of any other security interest held by the Bank as security for the Obligations, protect the Bank from liability in connection with the Security Interests or assist the Bank in its loan and credit granting or realization of the Security Interest, including any actions under the Bankruptcy and Insolvency Act (Canada) and all remuneration of any Receiver (as defined in Article 15 hereof) or appointed pursuant to the Bankruptcy and Insolvency Act (Canada);
 - (ix) any sums the Bank pays as fines, or as clean up costs because of contamination of or from your assets. Further, you will indemnify the Bank and its employees and agents from any liability or costs incurred including legal defense costs. Your obligation under this paragraph continues even after the Obligations are repaid and this agreement is terminated.
- (h) at the Bank's request, execute and deliver further documents and instruments and do all acts as the

Bank in its absolute discretion requires to confirm, register and perfect, and maintain the registration and perfection of, the Security Interests;

- (i) notify the Bank promptly of:
 - (i) any change in the information contained in this Security Agreement relating to the Borrower, its business or the Collateral, including, without limitation, any change of name or address (including any change of trade name, proprietor or partner) and any change in the present location of any Collateral;
 - (ii) the details of any material acquisition of Collateral, including the acquisition of any motor vehicles, trailers, manufactured homes, boats or aircraft;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in the payment or other performance of its obligations to the Borrower respecting any Accounts;
 - (v) any claims against the Borrower including claims in respect of the Intellectual Property or of any actions taken by the Borrower to defend the registration of or the validity of or any infringement of the Intellectual Property;
 - (vi) the return to or repossession by the Borrower of Collateral that was disposed of by the Borrower; and
 - (vii) all additional places of business and any changes in its place(s) of business or chief executive office;
- (j) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Security Agreement, from being or becoming an accession to property not covered by this Security Agreement;
- (k) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Collateral and the earnings, income, rents, issues and profits of the Collateral, including maintenance of proper and accurate books of account and records;
- (l) permit the Bank and its representatives, at all reasonable times, access to the Collateral including all of the Borrower's property, assets and undertakings and to all its books of account and records for the purpose of inspection and the taking of extracts and copies, whether at the Borrower's premises or otherwise, and the Borrower will render all assistance necessary;
- (m) observe and perform all its obligations under:
 - (i) leases, licences, undertakings, and any other agreements to which it is a party;
 - (ii) any statute or regulation, federal, provincial, territorial, or municipal, to which it is subject;
- (n) deliver to the Bank from time to time promptly upon request:
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral to allow the Bank to inspect, audit or copy them;
 - (iii) all financial statements prepared by or for the Borrower regarding the Borrower's business;

- (iv) such information concerning the Collateral, the Borrower and the Borrower's business and affairs as the Bank may reasonably require;
- (o) with respect to the Intellectual Property, take all necessary steps and initiate all necessary proceedings to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property;
- (p) with respect to copyright forming part of the Intellectual Property, provide to the Bank waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work;
- (q) receive and hold in trust on behalf of and for the benefit of the Bank all proceeds from the sale or other disposition of any Collateral;
- (r) consent to the Bank contacting and making enquiries of the Borrower's lessors, as well as municipal or other government officials or assessors; and
- (s) observe and perform the additional covenants and agreements set out in any schedules to this Security Agreement.

7.2 Any amounts required to be paid to the Bank by the Borrower under this Clause 7 shall be immediately payable with interest at the highest rate borne by any of the Obligations until all amounts have been paid.

7.3 This Security Agreement shall remain in effect until it has been terminated by the Bank by notice of termination to the Borrower and all registrations relating to the Security Agreement have been discharged.

8. **INSURANCE**

(It is your obligation to thoroughly insure the Collateral in order to protect your interests and those of the Bank. You will follow the specific requirements of the insurance coverage described in this Clause.)

8.1 The Borrower covenants that while this Security Agreement is in effect the Borrower shall:

- (a) maintain or cause to be maintained insurance on the Collateral with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as the Bank may require, and in particular maintain insurance on the Collateral to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement and in the case of motor vehicles, insurance against theft;
- (b) cause the insurance policy or policies required by this Security Agreement to be assigned to the Bank, including a standard mortgage clause or a mortgage endorsement, as the Bank may require;
- (c) pay all premiums respecting such insurance, and deliver all policies to the Bank, if it so requires.

8.2 If proceeds of any required insurance becomes payable, the Bank may, in its absolute discretion, apply these proceeds to the Obligations as the Bank sees fit or release any insurance proceeds to the Borrower to repair, replace or rebuild, but any release of insurance proceeds to the Borrower shall not operate as a payment on account of the Obligations or in any way affect this Security Agreement or the Security Interests.

8.3 The Borrower will forthwith, on the happening of loss or damage to the Collateral, notify the Bank and furnish to the Bank at the Borrower's expense any necessary proof and do any necessary act to enable the Bank to obtain payment of the insurance proceeds, but nothing shall limit the Bank's right to submit to the insurer a proof of loss on its own behalf.

8.4 The Borrower hereby authorizes and directs the insurer under any required policy of insurance to include the name of the Bank as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by the Bank to any insurer of a notarial or certified copy of this Security Agreement (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.

8.5 If the Borrower fails to maintain insurance as required, the Bank may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as the Bank may wish to maintain.

9. OTHER PROHIBITIONS

(You agree to not encumber your property so as to interfere with the security interests or charges granted to the Bank and you will not dispose of any of the Collateral except inventory disposed of in the ordinary course of your business.)

Without the prior written consent of the Bank the Borrower will not:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, undertakings including without limitation the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests created by this Security Agreement;
- (b) grant, sell, or otherwise assign any of its chattel paper or any of the Collateral except only Inventory that is disposed of in accordance with Clause 10.2; or
- (c) where the Borrower is a corporation
 - (i) repay or reduce any shareholders loans or other debts due to its shareholders; or
 - (ii) change its name, merge with or amalgamate with any other entity;

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

(You will preserve and protect all of the Collateral and not dispose of it without the consent of the Bank. Any sales or other disposition will result in you holding the proceeds in trust for the Bank. Your responsibilities towards the Collateral and any trust proceeds are important to the Bank.)

10.1 Except as provided by this Security Agreement, without the Bank's prior written consent the Borrower will not:

- (a) sell, lease, license or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from the jurisdictions in which the Security Interests have been perfected.

10.2 Provided that the Borrower is not in default under this Security Agreement, the Borrower may lease, sell, license, consign or otherwise deal with items of Inventory only in the ordinary course of its business and for the purposes of carrying on its business.

10.3 Any disposition of any Collateral, excepting sales of Inventory in the ordinary course, shall result in the Borrower holding the proceeds in trust for and on behalf of the Bank and subject to the Bank's exclusive direction and control. Nothing restricts the Bank's rights to attach, seize or otherwise enforce its Security Interests in any Collateral sold or disposed, unless it is sold or disposed with the Bank's prior written consent.

11. PERFORMANCE OF OBLIGATIONS

(If you do not strictly do all those things that you have agreed to do in this Security Agreement, the Bank may perform those obligations but you will be required to pay for them.)

If the Borrower fails to perform its covenants and agreements under this Security Agreement, the Bank may, but shall not be obliged to, perform any or all of such covenants and agreements without prejudice to any other rights and remedies of the Bank, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and its own client basis) incurred by the Bank shall be immediately payable by the Borrower to the Bank with interest at the highest rate borne by any of the Obligations and shall be secured by the Security Interests, until all such amounts have been paid.

12. ACCOUNTS

(Any dealing with the Collateral that results in an account being created, or proceeds arising, is of particular importance to the Bank. The account, or proceeds, acts in substitution for the Collateral that has been sold, usually inventory. You will protect the account or proceeds in favour of the Bank.)

Notwithstanding any other provision of this Security Agreement, the Bank may collect, realize, sell or otherwise deal with all or a portion of the Accounts in such manner, upon such terms and conditions and at any time, whether before or after default, as may seem to it advisable, and without notice to the Borrower, except in the case of disposition after default and then subject to the applicable provisions of the Act, if any. All forms of payment received by the Borrower in payment of any Account, or as proceeds, shall be subject to the Security Interests and shall be received and held by the Borrower in trust for the Bank.

13. APPROPRIATION OF PAYMENTS

(The Bank has the right to determine how funds it receives will be applied in relation to your loan facility.)

Any and all payments made respecting the Obligations and monies realized from any Security Interests (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Bank sees fit, and the Bank may at any time change any appropriation as the Bank sees fit.

14. DEFAULT

(You must comply with the payment and other obligations that you have made in favour of the Bank. You must also strictly satisfy the covenants and agreements that you have made in this Security Agreement. Failure to do so will be considered a default and the Bank will consider its legal remedies and possibly pursue them. This Clause defines the defaults and outlines your obligations.)

14.1 Unless waived by the Bank, the Borrower shall be in default under this Security Agreement and shall be deemed to be in default under all other agreements between the Borrower and the Bank in any of the following events:

- (a) the Borrower defaults, or threatens to default, in payments when due of any of the Obligations; or
- (b) the Borrower is in breach of, or threatens to breach, any term, condition, obligation or covenant made by it to or with the Bank, or any representation or warranty of the Borrower to the Bank is untrue or ceases to be accurate, whether or not contained in this Security Agreement; or
- (c) the Borrower or a guarantor of the Borrower declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under the Bankruptcy and Insolvency Act (Canada), the Companies Creditors' Arrangement Act (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Collateral is appointed; or
- (e) an order is made or a resolution is passed for the winding up of the Borrower or a guarantor of the Borrower; or
- (f) the Borrower or a guarantor of the Borrower ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (g) distress or execution is levied or issued against all or any part of the Collateral; or
- (h) if the Borrower is a corporation and any member or shareholder:
 - (i) commences an action against the Borrower; or
 - (ii) gives a notice of dissent to the Borrower in accordance with the provisions of any governing legislation; or

- (i) if the Borrower is a corporation and its voting control changes without the Bank's prior written consent; or
- (j) the Borrower uses any monies advanced to it by the Bank for any purpose other than as agreed upon by the Bank; or
- (k) without the Bank's prior written consent, the Borrower creates or permits to exist any security interest, charge, encumbrance, lien or claim against any of the Collateral which ranks or could in any event rank in priority to or on an equal basis with any of the Security Interests; or
- (l) the holder of any other security interest, charge, encumbrance, lien or claim against any of the Collateral does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim; or
- (m) the Borrower enters into an amalgamation, a merger or other similar arrangement with any other person without the Bank's prior written consent or, if the Borrower is a corporation, it is continued or registered in a different jurisdiction without the Bank's prior written consent; or
- (n) the Bank in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy or removed from the jurisdiction in which this Security Agreement has been registered; or
- (o) the lessor under any lease to the Borrower of any real or personal property takes any steps to or threatens to terminate such lease or otherwise exercise any of its remedies under such lease as a result of any default by the Borrower; or
- (p) the Borrower causes or allows hazardous materials to be brought upon any lands or premises occupied by the Borrower or to be incorporated into any of its assets, or the Borrower causes, permits, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) any permit, license, certification, quota or order granted to or held by the Borrower is cancelled, revoked or reduced, as the case may be, or any order against the Borrower is enforced, preventing the business of the Borrower from being carried on for more than 5 days or materially adversely changing the condition (financial or otherwise) of the Borrower's business; or
- (r) if an individual, the Borrower dies or is declared incompetent by a court of competent jurisdiction.

15. ENFORCEMENT

(If a default occurs, the Bank has numerous remedies and legal rights, including enforcement of the Security Agreement according to this Clause. You also have rights, provided by the *Personal Property Security Act* and the common law in your jurisdiction.)

15.1 Upon any default under this Security Agreement the Bank may declare any or all of the Obligations whether or not payable on demand to become immediately due and payable and the Security Interests will immediately become enforceable. To enforce and realize on the Security Interests the Bank may take any action permitted by law or in equity as it may deem expedient and in particular, without limitation, the Bank may do any of the following:

- (a) appoint by instrument a receiver, manager, receiver and manager or receiver-manager (the "Receiver") of all or any part of the Collateral, with or without bond as the Bank may determine, and in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any of the Borrower's premises at any time and take possession of the Collateral with power to exclude the Borrower, its agents and its servants, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions to the Collateral as the Bank deems advisable;

- (d) dispose of all or part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Bank may seem reasonable, provided that if any sale, lease or other disposition is on credit the Borrower will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies are actually received;
- (e) register assignments of the Intellectual Property, and use sell, assign, license or sub-license any of the Intellectual Property, and
- (f) exercise all of the rights and remedies of a secured party under the Act and any other applicable laws

15.2 A Receiver appointed pursuant to this Security Agreement insofar as responsibility for its actions is concerned shall be the agent of the Borrower and not of the Bank and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Bank under this Security Agreement, and in addition shall have power to:

- (a) carry on the Borrower's business and for such purpose from time to time to borrow money either secured or unsecured, and if secured by granting a security interest on the Collateral, such security interest may rank before or on an equal basis with or behind any of the Security Interests and if it does not so specify such security interest shall rank in priority to the Security Interests; and
- (b) make an assignment for the benefit of the Borrower's creditors or a proposal on behalf of the Borrower under the Bankruptcy and Insolvency Act (Canada); and
- (c) commence, continue or defend proceedings in the name of the Receiver or in the name of the Borrower for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Collateral; and
- (d) make any arrangement or compromise that the Receiver deems expedient

15.3 Subject to the claims, if any, of the creditors of the Borrower ranking in priority to this Security Agreement, all amounts realized from the disposition of the Collateral pursuant to this Security Agreement will be applied as the Bank, in its absolute discretion and to the full extent permitted by law, may direct as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and its own client basis) incurred by the Bank respecting or incidental to:
 - (i) the exercise by the Bank of the rights and powers granted to it by this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of the powers granted to it by this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (b) in or toward payment to the Bank of all principal and other monies (except interest) due in respect of the Obligations;
- (c) in or toward payment to the Bank of all interest remaining unpaid respecting the Obligations; and
- (d) in payment to those parties entitled thereto under the Act.

16. GENERAL PROVISIONS PROTECTING THE BANK

(You have granted this Security Agreement to the Bank in consideration by the Bank advancing funds or providing credit or a credit facility to you. The Bank will not be responsible for debts or liabilities that may arise except to the extent that it agrees to be responsible or liable in this Security Agreement. If enforcement becomes necessary, the Bank will act in good faith and in a commercially reasonable manner.)

16.1 To the full extent permitted by law, the Bank shall not be liable for any debts contracted by it during enforcement of this Security Agreement, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Bank shall manage the Collateral upon entry or seizure, nor shall the Bank be liable to account as a mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Bank shall not be bound to do, observe or perform or to see to the observance or performance by the Borrower of any obligations or covenants imposed upon the Borrower nor shall the Bank, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Bank be obliged to keep any of the Collateral identifiable. To the full extent permitted by law, the Borrower waives any provision of law permitted to be waived by it which imposes greater obligations upon the Bank than described above.

16.2 Neither the Bank nor any Receiver appointed by it shall be liable or accountable for any failure to seize, collect, realize, sell or obtain payments for the Collateral nor shall they be bound to institute proceedings for the purposes of seizing, collecting, realizing or obtaining payment or possession of the Collateral or the preserving of any right of the Bank, the Borrower or any other party respecting the Collateral. The Bank shall also not be liable for any misconduct, negligence, misfeasance by the Bank, the Receiver or any employee or agent of the Bank or the Receiver, or for the exercise of the rights and remedies conferred upon the Bank or the Receiver by this Security Agreement.

16.3 The Bank or any Receiver appointed by it may grant extensions of time and other indulgences, take and give securities, accept compromises, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the debtors of the Borrower, co-obligants, guarantors and others and with the Collateral and other securities as the Bank may see fit without liability to the Bank and without prejudice to the Bank's rights respecting the Obligations or the Bank's right to hold and realize the Collateral.

16.4 The Bank in its sole discretion may realize upon any other security provided by the Borrower in any order or concurrently with the realization under this Security Agreement whether such security is held by it at the date of this Security Agreement or is provided at any time in the future. No realization or exercise of any power or right under this Security Agreement or under any other security shall prejudice any further realization or exercise until all Obligations have been fully paid and satisfied.

16.5 Any right of the Bank and any obligation of the Borrower arising under any other agreements between the Bank and the Borrower shall survive the signing, registration and advancement of any money under this Security Agreement, and no merger respecting any such right or obligation shall occur by reason of this Security Agreement. The obligation, if any, of the Borrower to pay legal fees, a commitment fee, a standby fee or administration fees, under the terms of the Bank's commitment letter with the Borrower shall survive the signing and registration of this Security Agreement and the Bank's advancement of any money to the Borrower and any legal fees, commitment fees, standby fees or administration fees owing by the Borrower shall be secured by the Collateral.

16.6 In the event that the Bank registers a notice of assignment of Intellectual Property the Borrower shall be responsible for and shall indemnify the Bank against all maintenance and renewal costs in respect thereof, and any costs of initiating or defending litigation, together with all costs, liabilities and damages related thereto.

16.7 Notwithstanding any taking of possession of the Collateral, or any other action which the Bank or the Receiver may take, the Borrower now covenants and agrees with the Bank that if the money realized upon any disposition of the Collateral is insufficient to pay and satisfy the whole of the Obligations due to the Bank at the time of such disposition, the Borrower shall immediately pay to the Bank an amount equal to the deficiency between the amount of the Obligations and the sum of money realized upon the disposition of the Collateral, and the Borrower agrees that the Bank may bring action against the Borrower for payment of the deficiency, notwithstanding any defects or irregularities of the Bank or the Receiver in enforcing its rights under this Security Agreement.

17. APPOINTMENT OF ATTORNEY

(You appoint the Bank your attorney for specific matters.)

The Borrower hereby irrevocably appoints the Bank or the Receiver, as the case may be, with full power of substitution, as the attorney of the Borrower for and in the name of the Borrower to do, make, sign, endorse or execute under seal or otherwise all deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Borrower is obliged to sign, endorse or execute and generally to use the name of the

Borrower and to do everything necessary or incidental to the exercise of all or any of the powers conferred on the Bank, or the Receiver, as the case may be, pursuant to this Security Agreement. This grant and authority shall continue and survive any mental infirmity or legal incapacity of the Borrower subsequent to the execution hereof.

18. CONSOLIDATION

(Should you wish to redeem the Security Interest, the Bank may require you to also pay other obligations to it before discharging its Security Interests.)

For the purposes of the laws of all jurisdictions in Canada, the doctrine of consolidation applies to this Security Agreement.

19. NO OBLIGATION TO ADVANCE

(The Bank determines, in the end, whether any advances or further advances under the loan facility will be made.)

Neither the preparation and execution of this Security Agreement nor the perfection of the Security Interests or the advance of any monies by the Bank shall bind the Bank to make any advance or loan or further advance or loan, or extend any time for payment of any indebtedness or liability of the Borrower to the Bank.

20. WAIVER

(Indulgences granted by the Bank should not be taken for granted.)

The Bank may permit the Borrower to remedy any default without waiving the default so remedied. The Bank may from time to time and at any time partially or completely waive any right, benefit or default under this Security Agreement but such waiver shall not be a bar to or a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default under this Security Agreement. No waiver shall be effective unless it is in writing and signed by the Bank. No delay or omission on the part of the Bank in exercising any right shall operate as a waiver of such right or any other right.

21. NOTICE

(This Clause describes how the various notices referred to in this Security Agreement may be given.)

Notice may be given to either party by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided in this Security Agreement or at such other address as may be given in writing by one party to the other, and any notice if mailed shall be deemed to have been given at the expiration of three business days after mailing and if delivered, on delivery.

22. EXTENSIONS

(Your duties and responsibilities to the Bank remain in place regardless of any concerns you may have about the loan facility or the Bank's actions.)

The Bank may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Borrower, the Borrower's account debtors, sureties and others and with the Collateral and other security interests as the Bank may see fit without prejudice to the Borrower's liability or the Bank's right to hold and realize on the Security Interests.

23. NO MERGER

(Except as agreed upon in the Security Agreement or another contract specifically discussing this point, this Security Agreement is an independent obligation on your part.)

This Security Agreement shall not create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may be held by the Bank now or in the future from the Borrower or from any other person. The taking of a judgement respecting any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

24. RIGHTS CUMULATIVE

(This Agreement describes some rights and remedies of the Bank. The Bank also is entitled to rely on all other rights and remedies available to it in law and in any other agreements it has entered into with you.)

The Bank's rights and remedies set out in this Security Agreement, and in any other security agreement held by the Bank from the Borrower or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained in this Security Agreement or any other security agreements is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Borrower and the Bank that may be in effect from time to time.

25. ASSIGNMENT

(Should the Bank assign or transfer or otherwise deal with this Security Agreement on its own behalf, you agree that the Security Agreement shall remain binding and effective upon you.)

The Bank may, without notice to the Borrower, at any time assign or transfer, or grant a security interest in, all or any of the Obligations, this Security Agreement and the Security Interests. The Borrower agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Bank's rights and remedies under this Security Agreement and the Borrower will not assert as a defence, counterclaim, right of set-off or otherwise any claim which it now has or may acquire in the future against the Bank in respect of any claim made or any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the assigned Obligations to the assignee, transferee or secured party, as the case may be, as the said Obligations become due.

26. SATISFACTION AND DISCHARGE

(Until this Security Agreement is terminated and any registrations relating to it are discharged, the Security Agreement will remain effective even though the indebtedness to the Bank may have been paid.)

Any partial payment or satisfaction of the Obligations, or any ceasing by the Borrower to be indebted to the Bank shall not be a redemption or discharge of this Security Agreement. The Borrower shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations, and upon written request by the Borrower and, subject to applicable law, payment to the Bank of an administrative fee to be fixed by the Bank and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by the Bank in connection with the Obligations and such release and discharge. The Borrower shall, subject to applicable law, pay an administrative fee, to be fixed by the Bank, for the preparation or execution of any full or partial release or discharge by the Bank of any security it holds, of the Borrower, or of any guarantor or covenantor with respect to any Obligations.

27. ENVIRONMENT

The Borrower represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licences, permits and other governmental approvals as may be necessary to conduct its business and maintain the Collateral;
- (d) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Borrower's business or assets including without limitation the Collateral;
- (f) it will advise the Bank immediately upon becoming aware of any environmental problems relating to its business or the Collateral;
- (g) it will provide the Bank with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Borrower and it consents to the Bank contacting and making enquiries of environmental officials or assessors;

- (h) it will from time to time when requested by the Bank provide to the Bank evidence of its full compliance with the Borrower's obligations in this Clause 27.

28. ENUREMENT

This Security Agreement shall enure to the benefit of the Bank and its successors and assigns, and shall be binding upon the Borrowers and its heirs, executors, administrators, successors and any assigns permitted by the Bank, as the case may be.

29. INTERPRETATION

29.1 In this Security Agreement:

- (a) "Collateral" has the meaning set out in Clause 1 and any reference to the Collateral shall, unless the context otherwise requires, be deemed to be a reference to the Collateral in whole or in part;
- (b) "the Act" means the *Personal Property Security Act* of the province in which the business centre of the Bank is located, as described on page 1 of this Security Agreement, and all regulations under the Act, as amended from time to time.

29.2 Words and expressions used in this Security Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined in this Security Agreement or unless the context otherwise requires.

29.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause of this Security Agreement.

29.4 The headings used in this Security Agreement have been inserted for convenience of reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

29.5 This Security Agreement shall be governed by the laws of the province referred to in subclause 29.1(b). For enforcement purposes, the Borrower hereby attorns to the jurisdiction of the courts and laws of any province, state, territory or country in which the Bank enforces its rights and remedies hereunder.

30. COPY OF AGREEMENT AND FINANCING STATEMENT

The Borrower:

- (a) acknowledges receiving a copy of this Security Agreement; and
- (b) if the Act so permits, waives all rights to receive from the Bank a copy of any financing statement or financing change statement filed, or any verification statement or other document received at any time respecting this Security Agreement.

31. TIME

Time shall in all respects be of the essence.

32. INDEPENDENT ADVICE

The Borrower acknowledges having received, or having had the opportunity to receive, independent legal and accounting advice respecting this Security Agreement and its effect.

33. PARENTHETICAL COMMENTS

The Borrower acknowledges and agrees that the comments in parentheses are intended to provide a brief but not thorough indication of the intent of the legal provisions that follow in each subsequent clause, and do not form part of this Security Agreement.

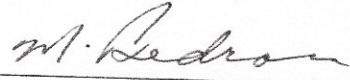
34. THE COMMITMENT LETTER

The Bank has extended an offer of financing or a commitment letter to the Borrower relating to the loan facilities secured by this Security Agreement. The Borrower acknowledges and agrees that in the event of any discrepancy between any term of this Security Agreement and any term of the commitment letter, the terms of the commitment letter shall apply and take precedence over the terms of this Security Agreement.

IN WITNESS WHEREOF the Borrower has hereunto set his hand and seal or has affixed its corporate seal duly attested by the hand(s) of its proper officer(s) in that behalf, on the day and year first above written.

DATED this ____ day of December, 2015.

SAFETY SEAL PLASTICS INC.

Per: 
Name: Michael Bedrosian
Title: President
I have the authority to bind the corporation.

SCHEDULE "A"

Subclause 1.1(a):

1. the following specific items, even though they may be included within the descriptions of Collateral (insert description by item or kind):

QUANTITY	DESCRIPTION (Include manufacturer's name, machine capacity, etc.)	MODEL NUMBER	SERIAL NUMBER
1	1999 COMCO 8 COLOUR 22"	1999 COMCO 8 COLOUR 22"	98-1223
1	1999 COMCO 8 COLOUR 22" B	1999 COMCO 8 COLOUR 22"	98-1225
1	2012 KARVILLE K4 SEAMING MACHINE	SEAM-350D-UHS 11- 6654 C-211225 RTC - 500-600	12025M 12026M
1	KOR ENGINEERING FW SERIES	FW5660	3107
1	KOR ENGINEERING FW SERIES	PAC 28 SH	2033
1	Sanyo tamper-evident band	PI4-26-30	custom
1	Custom built tamper-evident pre-former	custom	3455
1	J. M. HEAFORD MOUNTER	600 COBRA XLS II	90131
1	SANYO FILM TUBING MACHINE	HSW-300	TBA

2. the following serial numbered goods:

Serial No. (re motor vehicles & trailers, etc.)

Year Make and Model

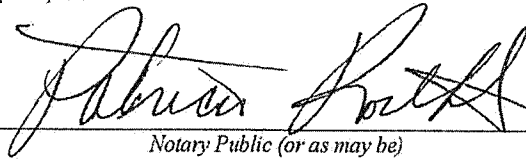
QUANTITY	DESCRIPTION (Include manufacturer's name, machine capacity, etc.)	MODEL NUMBER	SERIAL NUMBER
1	1999 COMCO 8 COLOUR 22"	1999 COMCO 8 COLOUR 22"	98-1223
1	1999 COMCO 8 COLOUR 22" B	1999 COMCO 8 COLOUR 22"	98-1225
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1	KOR ENGINEERING FW SERIES	FW5560	3107
1	KOR ENGINEERING FW SERIES	PAC 28 SH	2033
1	Sanyo tamper-evident band	PI4-25-30	custom
1	Custom built tamper-evident pre-former	custom	3455
1	J.M. HEAFORD MOUNTER	600 COBRA XLS TT	90131
1	SANYO FILM TUBING MACHINE	HSW-300	TBA

3 Location(s) of the Collateral:

120 Nebo Road, Hamilton, Ontario

EXHIBIT “G”

This is Exhibit "G" referred to in the Affidavit of Frank V. Tannura
sworn July 27, 2018



Notary Public (or as may be)



EXHIBIT "G"

PRIORITY AGREEMENT

THIS AGREEMENT dated the 22 day of December, 2015.

AMONG:

BUSINESS DEVELOPMENT BANK OF CANADA ("BDC")
with a branch office at Commerce House Building, 50 Queen Street, Kitchener, Ontario
N2H 6P9

AND:

HSBC BANK CANADA (the "Lender")
with a branch office at 4550 Hurontario Street, Mississauga, Ontario, L5R 4E4

AND:

SAFETY SEAL PLASTICS INC.
with an office at 120 Nebo Road, Unit 2, Hamilton, Ontario L8W 2E4
(the "Borrower")

WHEREAS:

A. The Borrower has granted or agreed to grant to BDC a registered security interest, in all or certain of the Borrower's present and after-acquired personal property, and/or such other security as BDC may from time to time receive from the Borrower (collectively, the "BDC Security") to secure present and future debts and obligations of the Borrower to BDC from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by BDC in connection therewith (collectively, the "BDC Indebtedness");

B. The Borrower has granted or agreed to grant to the Lender a registered security interest, in all or certain of the Borrower's present and after-acquired personal property, and/or such other security as the Lender may from time to time receive from the Borrower (collectively, the "Lender Security") to secure present and future debts and obligations of the Borrower to the Lender from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Lender in connection therewith (collectively, the "Lender Indebtedness");

C. The parties hereto have agreed to enter into this agreement in order to set out the respective priorities of the BDC Security and the Lender Security, such priorities to be applicable in respect of both present and future debts and obligations of the Borrower to BDC and the Lender;

NOW THEREFORE in consideration of the premises and other good and valuable consideration, the parties hereto covenant and agree as follows:

ARTICLE 1 - CONSENT

1.01 BDC hereby acknowledges and consents to the creation and issue by the Borrower to the Lender of the Lender Security and to the incurring by the Borrower of the Lender Indebtedness.

- 1.02 The Lender hereby acknowledges and consents to the creation and issue by the Borrower to BDC of the BDC Security and to the incurring by the Borrower of the BDC Indebtedness.

ARTICLE 2 - INTERPRETATION

- 2.01 The recitals hereto form an integral part of this Agreement.
- 2.02 In this Agreement, the following terms shall have the following meanings:
- (a) "**Enforcement Action**" means the commencement of power of sale, foreclosure or other judicial or private sale proceedings, appointing or obtaining the appointment of a receiver, a manager or a receiver and manager or other person having similar powers in respect of any person or property, attornment of rents, taking possession or control of any property or undertaking, commencing, giving or making any demand for payment, any notice of intention to enforce security or any action or proceeding seeking payment or recovery of all or any part of any indebtedness or damages in lieu thereof, or accepting a transfer of any property in lieu of foreclosure, or the exercise of any other rights or remedies available to a creditor under its security or otherwise at law or in equity, including without limitation, any bankruptcy proceedings;
 - (b) "**Lender Collateral**" means all present and after-acquired personal property of the Borrower, and the Proceeds thereof;
 - (c) "**Listed Equipment**" means the Borrower's equipment listed on Schedule "A" attached hereto and the Proceeds thereof;
 - (d) "**PPSA**" means the applicable *Personal Property Security Act*;
 - (e) "**Proceeds**" shall have the meaning ascribed to such term pursuant to the PPSA;
 - (f) "**Secured Parties**" means BDC and the Lender, and a "**Secured Party**" means either one of them, and each of their respective successors and permitted assigns; and
 - (g) "**Security**" means, collectively, the BDC Security and the Lender Security.

ARTICLE 3 - PRIORITIES

- 3.01 Subject to the terms and conditions of this Agreement:
- (a) the BDC Security is hereby postponed and subordinated to the security constituted by the Lender Security with respect to the Lender Collateral other than the Listed Equipment, to the extent of the Lender Indebtedness; and
 - (b) the Lender Security is hereby postponed and subordinated to the security constituted by the BDC Security with respect to the Listed Equipment, to the extent of the BDC Indebtedness.
- 3.02 The subordinations and postponements herein shall apply in all events and circumstances regardless of:
- (a) the date of execution, attachment, registration or perfection of any security interest held by BDC or the Lender, or;
 - (b) the date of any advance or advances made to the Borrower by BDC or the Lender; or

- (c) the date of default by the Borrower under any of the BDC Security or the Lender Security or the dates of crystallization of any floating charges held by BDC or the Lender; or
 - (d) any priority granted by any principle of law or any statute, including the PPSA.
- 3.03 Any Proceeds, including, without limitation, any insurance proceeds received by the Borrower, BDC or the Lender in respect of the collateral charged by the BDC Security or the Lender Security shall be dealt with according to the preceding provisions hereof as though such Proceeds were paid or payable as Proceeds of realization of the collateral for which they compensate.
- 3.04 If any of the BDC Security or the Lender Security is found by a trustee in bankruptcy or a court of competent jurisdiction to be unenforceable, invalid, unregistered or unperfected, then the foregoing provisions of this Article 3 shall not apply to such security to the extent that such security is so found to be unenforceable, invalid, unregistered or unperfected as against a third party unless the secured party shall be diligently contesting such a claim before a court of competent jurisdiction.
- 3.05 Each of the parties hereto shall permit any of the other parties hereto and their employees, agents and contractors, access at all reasonable times to any property and assets of the Borrower upon which it has a prior charge or security interest in accordance with the terms hereof and to permit such other party to remove such property and assets from the premises of the Borrower at all reasonable times without interference, provided that such other party shall promptly repair any damage caused to the premises by the removal of any such property or assets.
- 3.06 With the exception of monies deposited in any accounts designated as trust accounts by the Borrower for the benefit of BDC, BDC shall not be entitled, notwithstanding anything to the contrary in this Agreement, to make a claim against any monies which are deposited in or disbursed from any account of the Borrower maintained with the Lender, except for monies deposited therein after the time the Lender has received written notice from BDC that it is enforcing the BDC Security against the Borrower and which are not subject to the Lender Security and priority of the Lender as set out and agreed to in this Agreement.
- 3.07 If any person, other than the Secured Parties, shall have a valid claim, right or interest in or to any of the present or after-acquired personal property of the Borrower which is subject to all or any part of the Security, or the Proceeds thereof, in priority to or on a parity with one of the Secured Parties but not in priority to or on a parity with the other Secured Party, then this Agreement shall not apply so as to diminish the rights (as such rights would have been but for this Agreement) of such other Secured Party to such property or the Proceeds thereof.
- 3.08 Nothing in this Agreement affects the priority of any security over the Borrower's real property interests held by BDC or the Lender. The real property interests of the Borrower are excluded from the operation of this agreement.
- 3.09 This Agreement is not intended to affect the priority of any third party claims and no such parties may benefit from anything contained herein.
- 3.10 Nothing in this Agreement shall affect the priority of purchase money security interests (as defined in the PPSA) properly perfected under the PPSA and hereafter acquired by BDC or the Lender in specific equipment of the Borrower.

ARTICLE 4 – STANDSTILL

- 4.01 BDC shall not take any Enforcement Action under or in respect of the BDC Security or the BDC Indebtedness with respect to all or any part of the Lender Collateral or against the Borrower, in each case without providing the Lender with one hundred and eighty (180) days prior written notice (a "**Default Notice**") of the occurrence of a default or event of default under the BDC

Security or the BDC Indebtedness and the particulars of such default or event of default, save and except that BDC may take Enforcement Action solely in respect of the Listed Equipment, provided that BDC has notified the Lender of the default and its intention to commence an Enforcement Action.

- 4.02 BDC shall not challenge, contest or bring into question the validity, priority or perfection of the Lender Security. The Lender shall not challenge, contest or bring into question the validity, priority or perfection of the BDC Security.

ARTICLE 5 - COVENANTS OF THE BORROWER

- 5.01 The Borrower hereby confirms to and agrees with BDC and the Lender that, so long as any of the Lender Indebtedness or the BDC Indebtedness remains outstanding, the Borrower shall stand possessed of its assets so charged for the Lender and BDC in accordance with their respective interests and priorities as herein set out.

ARTICLE 6- GENERAL

- 6.01 From time to time upon request therefor, BDC and the Lender may advise each other of the particulars of the Lender Indebtedness and the Lender Security and the BDC Indebtedness and the BDC Security.
- 6.02 BDC and the Lender each agree that it will not transfer or assign any of its Security without first obtaining from the proposed assignee or transferee an agreement to be bound by the provisions of this Agreement and an acknowledgment that this Agreement shall apply to both financing advanced prior to and subsequent to the date of such assignment or transfer.
- 6.03 Prior to making any demand for payment on the Borrower or proceeding to enforce its Security, BDC or the Lender, as the case may be, shall provide notice of such demand or enforcement to the other of them, provided, however, that neither shall be liable for any accidental omission to provide the said notice and further provided that nothing in this section is intended to waive or relieve against the specific notice requirements set out in section 3.06 and section 4.01 of this Agreement.
- 6.04 Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed and delivered to the parties hereto as follows:

for BDC: Commerce House Building, 50 Queen Street, Kitchener,
Ontario N2H 6P9

Attention: Business Centre Manager

for the Lender: 4550 Hurontario Street
Mississauga, Ontario
L5R 4E4

Attention: Shelley Baker, Assistant Vice President

With a copy to: Gowling Lafleur Henderson LLP
One Main Street West
Hamilton, Ontario
L8P 4Z5


Attention: Dom Glavota

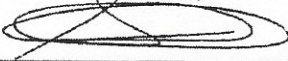
- 6.05 Each of the Borrower, BDC and the Lender shall do, perform, execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the interests of this Agreement, provided however, that no consent of the Borrower shall be necessary to any amendment of the terms hereof by BDC and the Lender unless the interests of the Borrower are directly affected thereby.
- 6.06 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof. Such counterparts may be delivered by facsimile, PDF electronic mail (E-mail) or other electronic transmission.
- 6.07 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 6.08 This Agreement shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hand(s) of their duly authorized officer(s) on the date first above written.

**BUSINESS DEVELOPMENT BANK
OF CANADA**

Per: 
Name: Kirk Irving
Title: **Business Centre Manager
Kitchener**

Per: 
Name: S. Kulkarni
Title: Senior Account Manager

I/We have the authority to bind the bank.

HSBC BANK CANADA

Per: 
Name: _____
Title: SPACE
HSBC BUSINESS BANK

Per: 
Name: _____
Title: **Richard Bird
027357**

I/We have the authority to bind the bank.

SAFETY SEAL PLASTICS INC.

Per: _____
Name: **Michael Bedrosian**
Title: **President**

I have the authority to bind the corporation.

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hand(s) of their duly authorized officer(s) on the date first above written.

**BUSINESS DEVELOPMENT BANK
OF CANADA**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the bank.

HSBC BANK CANADA

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the bank.

SAFETY SEAL PLASTICS INC.

Per: *M. Bedrosian*
Name: Michael Bedrosian
Title: President

I have the authority to bind the corporation.

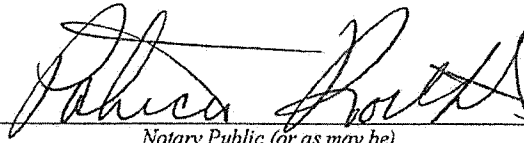
SCHEDULE "A"

Details of Listed Equipment

QUANTITY	DESCRIPTION (Include manufacturer's name, machine capacity, etc.)	MODEL NUMBER	SERIAL NUMBER
1	1999 COMCO 8 COLOUR 22"	1999 COMCO 8 COLOUR 22"	98-1223
1	1999 COMCO 8 COLOUR 22" B	1999 COMCO 8 COLOUR 22"	98-1225
1	2012 KARVILLE K4 SEAMING MACHINE	SEAM-350D-UHS 11- 6654 C-211225 RTC - 500-600	12025M 12026M
1	KOR ENGINEERING FW SERIES	FW5560	3107
1	KOR ENGINEERING FW SERIES	PAC 28 SH	2033
1	Sanyo tamper-evident band	P14-25-30	custom
1	Custom built tamper-evident pre-former	custom	3455
1	J. M. HEAFORD MOUNTER	600 COBRA XLS TT	90131
1	SANYO FILM TUBING MACHINE	HSW-300	TBA

EXHIBIT “H”

This is Exhibit "H" referred to in the Affidavit of Frank V. Tannura
sworn July 27, 2018

A handwritten signature in cursive script, appearing to read "Patricia A. Roethle", written over a horizontal line.

Notary Public (or as may be)

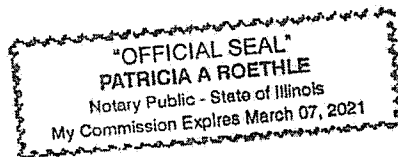


EXHIBIT "H"



SAFETY SEAL PLASTICS INC.
400 Michener road
Guelph, Ontario
N1K 1E4

Attention: Michael Bedrosian

Revision (04/16)
Commitment to Lease
Lessee No. 321192551
Lease No. 201000031439
Always refer to these numbers

Dear Sirs:

Royal Bank of Canada (hereinafter called "Royal Bank") is pleased to confirm that we are prepared to acquire, for the purpose of leasing to your Company, the assets (hereinafter called the "Equipment") as described below, upon the terms and conditions hereinafter set forth.

1. Lessee

SAFETY SEAL PLASTICS INC. (hereinafter called the "Lessee")

2. Lessor

Royal Bank

3. Equipment

Pouch machine and instal

The Equipment shall remain the property of Royal Bank, and the Lessee shall have no right or interest in the Equipment except as provided in this agreement. The Equipment shall at all times be and remain personal or movable property, regardless of the manner in which it may be attached to any real or immovable property.

4. Net Equipment Cost

The cost of acquisition of the Equipment (the "Net Equipment Cost"), according to your advice, shall not exceed the sum of \$875,000.00. Any increase in the Net Equipment Cost to be paid by Royal Bank is subject to prior written approval.

5. Timing of Purchase

The Equipment must be purchased by Royal Bank prior to July 20 2017 (hereinafter called the "Expiry Date"). Any extension by Royal Bank of this agreement is subject to prior written approval.

6. Term

The Equipment shall be leased for a term of 60 months.

7. Rental

The rentals shall be based on the 5 Yr Swap all-in OFF RBC Lease Base Rate being 1.83% ("Index Rate") on January 25, 2017. For any increase or decrease in the Index Rate as of the day prior to execution of Royal Bank's Leasing Agreement, the rentals will be adjusted upwards or downwards, as the case may be to reflect the new Index Rate.

8. Option to Purchase

The Lessee shall have the right to purchase the Equipment on the dates hereinafter set forth in consideration of the respective purchase price established by applying the respective percentage, or amount where applicable, stated hereunder to the Net Equipment Cost.

<u>Purchase Option Date</u>	<u>Percentage of Net Equipment Cost</u>
After 60 rentals have been paid	\$1.00

9. Insurance

The Lessee shall provide evidence of public liability and property damage insurance coverage in respect of the Equipment with limits of not less than \$2,000,000.00. The Equipment must also be insured to its full insurable value against all insurable risks and perils consistent with your usual practice for equipment of the same general classification and furnish evidence to Royal bank prior to the delivery of the equipment and thereafter upon request. Such insurance shall take effect on the date on which Royal Bank assumes responsibility for the Equipment or any part thereof.

10. Documentation and Legal Fees

The Lessee acknowledges that it has reviewed Royal Bank's standard Leasing Agreement(s) and that it is deemed acceptable for use on this transaction. A copy of the standard Leasing Agreement(s) will be provided upon request, if the lessee has not already been provided with one prior to this agreement. All expenses, costs or charges incurred by the Lessor, acting reasonably, for the publication or registration of the Leasing Agreement or other documents related to or connected with this proposed transaction are for your account.

All documents, agreements or writings, including without restriction a Leasing Agreement, in the reasonable opinion of our solicitors required to evidence the lease transaction, shall contain such terms and conditions as may be mutually agreed upon, and shall in all respects be satisfactory to our respective solicitors.

In the event you request changes in the terms and conditions of our standard Leasing Agreement which require us to engage counsel to consider and/or negotiate the details of such changes, then the legal fees thus incurred by us will be for your account.

11. Fees

A fee in the amount of \$1,250.00, plus applicable taxes, will be collected upon the execution for the Leasing Agreement.

12. Other Agreements and Appendices

All other agreements held by Royal Bank for the purposes of leasing the Equipment described in paragraph (3) which reference this Commitment to Lease are considered part of this agreement. The undernoted appendices, if shown, also form part of this agreement:

13. General Conditions

The Lessee will personally choose and select the Equipment and Royal Bank shall not, in any respect, be liable or responsible for the quality, adequacy or suitability of the Equipment or for any warranty claims for the maintenance, repair or satisfactory operation of the Equipment. Furthermore, the Lessor hereby conveys to the Lessee the warranty resulting from the sale entered into with the supplier.

Royal Bank will not become obligated to purchase the Equipment or any part thereof until the Leasing Agreement and all other documents required shall have been executed between us.

14. Royal Bank will be entitled to rely on any signature appearing on a facsimile transmission that purports to be a signature of the Lessee or of a representative of the Lessee as being authorized, valid and binding on the Lessee, even if the signature was not, in fact, signed by the Lessee or its representative. The Lessee will keep the originals of all documents and instructions transmitted to Royal Bank by facsimile and will produce them to Royal Bank upon request. Royal Bank and the Lessee agree that a copy of a document transmitted by fax shall be admissible as evidence of its contents and its execution by the parties in the same manner as an original document, and expressly waive any right to object to its introduction in evidence, including any right to object based on the best evidence rule.

This Commitment to Lease is open for acceptance by the Lessee until February 27 2017, after which date, unless extended by us in writing, the same shall lapse, become null and void and be of no further force and effect.

If the foregoing is acceptable to you, please so indicate by executing this agreement and returning a copy to us. Please retain a copy of this agreement for your records and future reference.

We, the undersigned, agree to lease the described Equipment on the above terms and conditions and confirm that we have the authority to sign for on behalf of the Lessee. The Lessee may not assign, cede or otherwise dispose of their rights under this Commitment to Lease and no amendment hereto shall be binding on either of us unless the same is in writing.

Lessor and Lessee hereby acknowledge that they have required this Agreement and all related documents to be drawn up in the English language. La Banque Royale et le créancier reconnaissent avoir exigé que la présente demande de crédit-bail et les documents s'y rattachant soient rédigés en anglais.

Dated on the 27th day of January, 2017.

SAFETY SEAL PLASTICS INC.

Per: M. Bederman
(Authorized Signatory)

Title: CEO

Per: Frank D. Damm
(Authorized Signatory)

Title: Chairman

Royal Bank of Canada

Per: Eugene Basolini
Eugene Basolini
Head, Equipment Finance Solution Centre

® Registered trademark of Royal Bank of Canada

C



Progress Payment Agreement (PPSA)

THIS AGREEMENT made the 27th day of January 2017

BETWEEN:
SAFETY SEAL PLASTICS INC. ("Lessee")
-and-
ROYAL BANK OF CANADA ("Royal Bank"),

WHEREAS both parties herein confirm arrangements been made concerning the purchase for the purpose of leasing to the Lessee Pouch machine and instal (hereinafter called the "Equipment") to be installed in 400 Michener road, Guelph, Ontario N1K1E4

The Lessee further confirms that they will receive the Equipment on behalf of Royal Bank at location(s) designated by the Lessee prior to July 20, 2017, and that Royal Bank will be required to make partial payments (hereinafter called "Progress Payment Advances") of the purchase price prior to that date to various suppliers.

By executing this agreement, and returning same to us, we mutually agree as follows:

1. The Lessee shall lease the Equipment from Royal Bank on or before July 20, 2017, (hereinafter called the "Expiry Date") under the terms and conditions stated in the Lease Application or Commitment to Lease dated January 27, 2017, and Royal Bank's standard Equipment Lease or Master Lease Agreement (and appropriate Leasing Schedule) as applicable, hereinafter referred to as the "Lease", a copy of which can be provided upon request. Notwithstanding the fact that the Lessee has not taken full possession of the Equipment and has not signed Royal Bank's standard form Equipment Acceptance Notice, all terms and conditions of the Lease, including those pertaining to Events of Default and Lessor's Remedies on Default, shall be applicable to this Agreement and are incorporated herein by reference.
2. Royal Bank will pay up to \$875,000.00 in respect of the purchase price for the Equipment to the supplier(s), in whole or in part prior to the execution of the Lease.
3. In the event the Lease is not entered into by the Expiry Date, or at such earlier or later date as may be mutually agreed upon, the Lessee shall, at Royal Bank's request purchase the equipment for a purchase price equal to the full amount of money paid to the supplier(s) plus all taxes, installation costs, or otherwise paid, any unpaid Interim Rentals as determined in paragraph (4) hereunder and at the Bank's discretion a cancellation fee not to exceed \$2,500.00 (hereinafter called the "Purchase Price"). Such payment shall be deemed due and payable within 10 business days of the Expiry Date, unless otherwise mutually agreed to by both parties in writing. Upon payment in full of the Purchase Price Royal Bank will transfer whatever right or title Royal Bank may have therein. The transfer of Royal Bank's rights or interest in, or title to, said Equipment will be without warranty of any kind on our part.
4. On the last day of every month, until the day on which the Lease takes effect, the Lessee shall pay to Royal Bank an Interim Rental, plus applicable taxes, on all monies paid out by Royal Bank to suppliers to that day. Such Interim Rent shall be based on Royal Bank's Interim Rental Rate "IRR", which fluctuates from time to time based on Royal Bank Prime plus 1.75%, and is calculated using to the undernoted formula:

$$\text{Progress Payment Advances} \times (\text{IRR}/100) \div 365$$

and by multiplying the result thereof by the number of days from and including the day on which payment is made, to and including the last day of the month.

5. The Lessee shall use and preserve the Equipment in a careful and proper manner, and shall cause the Equipment to be operated by competent operators only.
6. The Lessee shall be liable to maintain the Equipment in the same condition in which it was received, normal and responsible wear and tear excepted, and shall bear all costs of operation including all necessary repairs, maintenance and replacements.

7. The Lessee shall, while this Agreement is in effect, at its sole expense place and maintain insurance, in a form acceptable to Royal Bank and shall provide evidence of such insurance as requested from time to time.
8. The Lessee shall pay an initial set-up fee of \$0.00 upon the execution of this Agreement and a further fee of \$0.00 payable monthly for the management and administration of this Agreement. The Lessee further authorizes Royal Bank to debit the Lessee's account for the purposes of paying aforementioned fees, together with any Interim Rentals due under Paragraph 4 of this Agreement. Details of the Account upon which the Royal Bank is authorized to debit are indicated below and a specimen cheque for the account marked "Void" is attached to this Agreement.

Name of Financial Institution & Number: RBC 003
 Branch Address City, Province:
 Transit # 01762 Account # 1050442

9. The Lessee shall indemnify Royal Bank and save harmless from and against any and all loss, damages, costs, expense, claims and demands, liens and other liabilities of every nature and kind whatsoever that may arise or which Royal Bank may sustain by reason of or in consequence of the payment of the whole or part of the purchase price of the Equipment or the use, possession or operation thereof by the Lessee.
10. The Lessee hereby grants to and in favor of Royal Bank a security interest, within the meaning of the Personal Property Security Act, in all its right, title and interest, from time to time, in the Equipment, such security interest to be given as to each and every of the obligations of the Lessee to Royal Bank, and as to the interest of the Lessee in the Equipment, whether the obligations secured, or the interest in the Equipment arises under this Agreement, the Lease Application or Commitment to Lease, the Lease, or otherwise. Royal Bank shall have, as a consequence of the grant of security interest herein, the rights of a secured creditor, under the Personal Property Security Act, and it shall have the right to exercise each and every of such rights, including the right to provide notice, and seek to exercise its remedies by way of sale or seizure of the Equipment, forthwith upon default under or pursuant to this Agreement, the Lease Application or Commitment to Lease, the Lease, or any other agreement as between the Lessee and Royal Bank relating to the Equipment. Default under the terms of this Agreement include any failure to enter into the Lease, as required by paragraph 3, or to reacquire the Equipment as required in paragraph 3 of this Agreement. The security interest granted herein is, to the extent title or interest in the Equipment is deemed to be that of the Lessee, a purchase money security interest, the acquisition by Royal Bank being an acquisition of Equipment for the purposes of lease to Lessee. Royal Bank hereby reserves all right, title, and interest in and to the Equipment, on the terms and conditions as provided in the Lease.
11. Royal Bank will be entitled to rely on any signature appearing on a facsimile transmission that purports to be a signature of the Lessee or of a representative of the Lessee as being authorized, valid and binding on the Lessee, even if the signature was not, in fact, signed by the Lessee or its representative. The Lessee will keep the originals of all documents and instructions transmitted to Royal Bank by facsimile, including the application for this Progress Payment Agreement if it was previously transmitted by facsimile to Royal Bank, and will produce them to Royal Bank upon request. Royal Bank and the Lessee agree that a copy of a document transmitted by fax shall be admissible as evidence of its contents and its execution by the parties in the same manner as an original document, and expressly waive any right to object to its introduction in evidence, including any right to object based on the best evidence rule.

This Agreement does not constitute a lease of the Equipment.

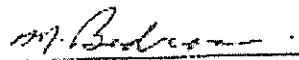
This Agreement shall be binding upon and enure to the benefit of both parties, their respective successors, administrators and assigns.

ROYAL BANK OF CANADA



Eugene Basolini
 Head, Equipment Finance Solution Centre

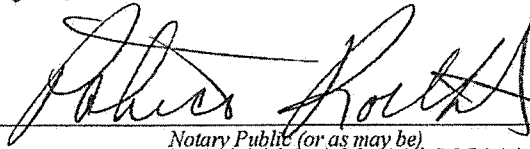
SAFETY SEAL PLASTICS INC

Per: 

Per: 

EXHIBIT “I”

This is Exhibit "T" referred to in the Affidavit of Frank V. Tannura
sworn July 27, 2018



Notary Public (or as may be)

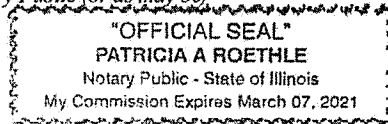




EXHIBIT "I"

HP TRANSACTION DOCUMENT HP Indigo Digital Printing Equipment and Optional Hardware

This document, ("Transaction Document"), by and between the undersigned HP Inc. entity, ("HP"), and the undersigned customer, ("Customer"), provides for the sale of the HP Indigo Digital Press Equipment described herein, ("Product"), at the price and under terms specified below. This Transaction Document supplements HP Customer Agreement or HP Customer Terms – Portfolio, as applicable, No. 34225, by and between the parties, ("Agreement"). The terms of the Agreement and those stated herein are applicable to this Product purchase and sale. The terms of this Transaction Document shall take precedence in the event of a conflict between the Agreement and this Transaction Document. Unless otherwise defined herein, capitalized terms in this Transaction Document shall have the meaning ascribed to them in the Agreement. Customer understands and agrees that in no event shall a purchase order or related documents or communications issued by Customer amend, modify or supplement any of the terms and conditions of the Agreement or this Transaction Document. This Transaction Document supersedes all prior oral or written quotations, proposals and communications between HP and Customer related to the Products identified herein.

Customer: Safety Seal Plastics Inc Attn: Michael Bedrosian Email: michael@safetysseal.ca Street: 400 Michener Road, Unit 1 City/State/Zip: Guelph, ON N1K 1E4 SHIP TO ADDRESS (IF DIFFERENT FROM ABOVE): Attn: Email: Street: City/State/Zip: F. O. B. Point: Customer Site	Effective Date: June 05, 2017	Offer Expiration Date: July 03, 2017
	Requested Shipping Date: July 10, 2017	
	Account Executive: Griffin Schrack	Regional Mgr: John Rocker
	Customer's Phone No.: 9055759699 Customer's Fax No.:	

PRODUCT DESCRIPTION	List Price	Warranty Period*	Qty	TOTAL
Newly Manufactured HP Indigo 20000 w/ DFE (CA402A, HPESQ806A, 9100-6227) High Resolution image quality: Resolution: 812 and 1219 dpi at 8 bit, addressability: 2438 x 2438 dpi HDI (High Definition Imaging). Printing speed: Up to 101 feet/ min in 4 color mode, in maximum repeat length. Up to 135 feet / min in EPM mode. Up to 82 feet/ min in 5 color mode. Line Screens: 175, 180, and 180m In-line Spectrophotometer Substrate Thickness Range: 10-250 microns PIP automatic replacement system (PARS) Standard PUW (Priming Unwinder) Maximum roll diameter: 39.4 inches, Max roll weight: 1870 lbs, Core inside diameter: standard 6 inches, optional 3 inches. HP Indigo 20000 Digital Press Requires HP Smartstream IN150 with Esko DFE, Part #H0H35A 6 month limited warranty OFFER BASED ON LIMITED AVAILABILITY Customers who purchase a newly-manufactured HP Indigo 20000 digital press between March 23, 2017 and August 31st, 2017 shall have the opportunity to purchase the "Enhancement Pack options for Series 4 presses", if and when these options become available, at 50% off of HP's list price which will be announced at availability. The Enhancement Pack options for Series 4 are estimated to become available after August 31st 2017. Customers who purchase the Enhancement Pack options for Series 4 presses Option shall also receive an accounts receivable credit equal to 50% off of HP's announced list price for the Enhancement Pack options for Series 4 presses and must be installed no later than one year after the Enhancement pack options are made available. Rewinder. Maximum roll diameter: 31.5 inches. Maximum roll weight: 1540 lbs.	\$1,965,000.00	6	1	\$1,965,000.00

Food products and packaging are a highly regulated sector with varying requirements depending on where they are placed in the market. Therefore, converters are reminded to ensure that all materials utilized in the printing process are suited for the intended applications and its conditions of use, and that the printing is performed in accordance with Good Manufacturing Practices.				
Delivery, Installation, and Training	\$40,000.00			\$40,000.00
5th Color Option for HP Indigo 20000 Digital Press (5C-20000)	\$30,000.00		1	\$30,000.00
6th Color Option for HP Indigo 20000 Digital Press (6C-20000)	\$30,000.00		1	\$30,000.00
7th Color Option for HP Indigo 20000 Digital Press (7C-20000)	\$30,000.00		1	\$30,000.00
OFIR kit series 4 (including ink tank and IDU) (T3P52B)	\$9,000.00		1	\$9,000.00
PUW Anilox Sleeve High Laydown 3.36 BCM (HOJ40B)	\$4,600.00		1	\$4,600.00
PUW Anilox Sleeve Low Laydown 2.5 BCM (HOJ41B)	\$4,600.00		1	\$4,600.00
PUW Rubber Sleeve (HOJ42A)	\$935.00		1	\$935.00
HP Smartstream Labels and Packaging Barcode Engine powered by Esko (HOH14A)	\$700.00		1	\$700.00
VDP (Variable Data Printing) (HOH12B)	\$6,500.00		1	\$6,500.00
Power Layout + Dynamic marks (HOH09B)	\$6,500.00		1	\$6,500.00
Reverse Inspection bridge (T3P48A)	\$20,000.00		1	\$20,000.00
New User - HP SmartStream Designer v19 for Adobe Illustrator - Site License (PC and MAC Version) - HOJ84A (HOJ84A)	\$3,000.00		1	\$3,000.00
First Press Installation (JGS) (CA490-12854)	\$0.00		1	\$0.00
Consumables kit for the installation of HP Indigo 20000 press (Q5391-02434)	\$0.00		1	\$0.00
Priming Unwind Consumables kit (Q5391-02451)	\$0.00		1	\$0.00
Reinsertion- simplex only (HOJ81A)	\$20,000.00		1	\$20,000.00
HP Advantage "Gold Package" (T3P32A)	\$10,000.00		1	\$10,000.00
Dscoop Conference Pass (Q5397-03591)	\$949.00		1	\$949.00
Rewind low tension (Option with UP2 enabled press) (T3P68A)	\$15,000.00		1	\$15,000.00
HP Indigo 20000 Smart Uptime Parts Kit - Mandatory to order with first HP Indigo 20000 Digital Press (covers 5 presses) (CA497-01124, CA490-07980)	\$48,700.00		1	\$48,700.00
Cabinet for Smart Uptime Kit (CA490-07980)	\$1,700.00		1	\$1,700.00
Conductivity/Density meter. (CA354-02351)	\$2,000.00		1	\$2,000.00
1 Day DFE and Advanced Applications Support Service (MM0112)	\$3,000.00		1	\$3,000.00
HP Indigo Material and Application Consulting (Remote plus on-site) (MM0198)	\$2,500.00		1	\$2,500.00
9 Months of Customer Success Program Mgmt (MM0291)	\$5,000.00		1	\$5,000.00
COURSE HH261S L&P ESKO (MM-0108)	\$5,400.00		1	\$5,400.00
COURSE H4K41S 20000 L1 OPERATOR (MM-0131)	\$12,500.00		1	\$12,500.00
COURSE H4K42S 20000 L2 OPERATOR (MM-0133)	\$10,600.00		1	\$10,600.00
H4K34 - 4 DAY COLOR OPTIMIZATION VISIT (MM-0115)	\$8,000.00		1	\$8,000.00
H4K35 - 4 DAY PRODUCTION OPTIMIZATION VISIT (MM-0116)	\$8,000.00		3	\$24,000.00
COURSE U9RB3S 20000 DIGITAL PRESS PRODUCTION MANAGEMENT (U9RB3S)	\$3,800.00		1	\$3,800.00
Discount				(\$710,493.00)
Total (in USD)				\$1,613,491.00

*** THE PRODUCT WARRANTY PERIOD IS STATED IN NUMBER OF MONTHS. UNLESS A DIFFERENT WARRANTY PERIOD IS STATED FOR OPTIONAL HARDWARE, OPTIONAL HARDWARE LISTED ABOVE IS PROVIDED TO CUSTOMER WITH THE SAME WARRANTY PERIOD AS**

STATED FOR THE ABOVE REFERENCED HP INDIGO DIGITAL PRESS, THIS PRODUCT WARRANTY APPLIES ONLY TO HP-BRANDED HARDWARE. SPARE PARTS, IF ANY, PROVIDED WITH THE PRODUCT MAY BE NEW OR EQUIVALENT TO NEW IN PERFORMANCE AND RELIABILITY. IF NO WARRANTY PERIOD IS STATED FOR THE PRESS, THEN THE PRODUCTS ARE PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND.

ORDERS

This Transaction Document constitutes an Order. Once accepted by HP, this Order is not cancelable, in whole or in part, unless such cancellation is mutually agreed to in writing by both parties. Notwithstanding anything to the contrary in the Agreement, any subsequent agreed-upon cancellation of this Order shall subject Customer to a restocking fee equal to 10% of the net Product purchase price above.

PRICING AND TAXES

All pricing information herein is presented in US Dollars (USD) and is honored only in the United States and Canada.

For Orders with a ship-to address in the USA, prices are exclusive of sales, use or similar taxes. If Customer is exempt from sales, services, or similar tax, a valid Resale Certificate/Exemption Certificate must be provided to HP. If a Certificate is not provided or if the Certificate is not made out to the HP entity named below, the applicable tax will be charged in addition to the stated price.

Is Customer exempt from State Sales/Use Tax for this Order? YES NO

If submitting a Manufacturing Tax Exempt Certificate, please check if all products and supplies purchased from HP will be used in the manufacturing process and is tax exempt.

For Orders with a ship-to address in Canada, prices are exclusive of any applicable Canadian Goods and Services Tax/Harmonized Sales Tax/Quebec Sales Tax ("GST/HST/QST") and any applicable Provincial Sales Tax ("PST") and any other applicable sales, use, value added or similar taxes. If Customer is exempt from sales, services, or similar tax, a valid Resale Certificate/Exemption Certificate must be provided to HP. If a Certificate is not provided or if the Certificate is not made out to HP (Canada) Co., the applicable tax will be charged in addition to the stated price.

Is Customer exempt from Provincial Sales/Use tax for this Order? YES NO

IF YES, PLEASE PROVIDE A COPY OF CUSTOMER'S REGISTRATION NUMBER.

PAYMENT TERMS

Notwithstanding anything to the contrary in the Agreement, Customer shall pay the net purchase price listed above as follows: (a) 10% with the Order, 80% prior to Product shipment and 10% upon HP's completion of Product installation; or (b) 100% upon secured funding with an HP-approved lending institution with HP-approved payment terms and conditions prior to Product shipment.

LIMITED WARRANTY

HP warrants that, for the Product warranty period specified on the face page hereof, the Product and embedded software will substantially conform to HP's published Product specifications and HP's warrants the Product against defects in materials and workmanship. Some Products designated as "newly-manufactured" may contain previously used parts that are equivalent to new in performance and reliability and are covered by HP's Product limited warranty terms and exclusions. Product warranty terms, conditions, limitations and exclusions are stated in the Agreement, as supplemented by this section. The Product warranty period shall commence upon the date of HP's completion of installation, ("COI"), of the Product at the ship-to address in this Order. Transfer of any warranty is available only if HP's conditions for transfer and standards for relocation of the Product have been met. Notwithstanding anything to the contrary in the Agreement, the exclusive remedies for a valid warranty claim are to repair or replace the Product, as determined by HP in its sole discretion, and Customer shall not be entitled to a refund of the Product purchase price for any reason. Except for the HP Indigo W7250, HP Indigo 20000, HP Indigo 30000, HP Indigo WS6000 with ILP, HP Indigo WS6600 with ILP and HP Indigo WS6800 with ILP, Customer shall operate the Product using only paper and substrates described in HP's paper and substrate information. For a list of certified substrates, refer to HP's website at www.hp.com/go/graphicarts. HP does not publish certified paper and substrates for the HP Indigo W7250, HP Indigo 20000, HP Indigo 30000, HP Indigo WS6000 with ILP, HP Indigo WS6600 with ILP and HP Indigo WS6800 with ILP. Customer shall operate these presses using paper and substrates of the types and thicknesses specified by HP in the operating manual for these presses. Customer must have on an ongoing basis a Qualified Operator present at or available to the Site at all working times. A "Qualified Operator" is defined as a press operator who has successfully completed the Required Training stated below. Operating the Product with unapproved substrates or with paper and substrates not specified in the press operating manual or with unapproved supplies or with unqualified operators may result in exclusion of the Product from the limited warranty. HP does not warrant that the operation of the Product will be uninterrupted or error free, or that the Product will operate in hardware and software combinations other than as expressly required by HP in published Product specifications or that the Product will meet requirements specified by Customer. Customer may only use firmware embedded in the Product to enable the Product to function in accordance with its published specifications.

THIRD PARTY SOFTWARE

Customer acknowledges and agrees that in connection with their purchase of the above Product, HP has the right to make and retain one (1) backup copy of the Microsoft operating system software installed on the Product on behalf of the Customer. The backup copy made by HP can only be used by HP and Customer to reinstall the software on Customer's Product described above, subject to any applicable terms of the Microsoft license. By using the Microsoft software installed on the Product, Customer expressly agrees to the creation of a single backup copy of the software by HP.

For non-HP branded software, the third-party supplier's license terms and use restrictions that accompany such software will solely govern its use. In addition, Customer hereby authorizes HP to accept updates or supplements to non-HP branded software on behalf of the Customer, in which case third party supplier's license terms and use restrictions shall apply to Customer's use of such updated or supplemented non-HP branded software. Notwithstanding other statements in the Agreement, software licensed without fee or charge also referred to as Freeware and/or Open Source is provided "AS IS" without any warranties or indemnities of any kind. Software provided under any open source licensing model is governed solely by such open source licensing terms which will prevail over the Agreement or any Transaction Document.

DELIVERY AND INSTALLATION

HP shall use reasonable efforts to adhere to the requested shipping date stated above, but HP shall not be liable for any loss resulting from delay in Product delivery. The Customer acknowledges that the Product and related software may be delivered in partial shipments. HP may elect in its sole discretion to deliver software, deliverables, specifications, or Product documentation by enabling electronic transmission to, or electronic access or download by Customer in the country where HP accepted the Order. HP shall provide delivery and installation of the Product, which shall include ground shipping direct to the ship-to address in this Order. HP shall provide ground level setup and Product startup, all contingent upon Customer complying with the requirements set forth in HP's current site preparation guide, as well as Customer having obtained all appropriate permits. Product delivery and installation, as provided by HP hereunder **DOES NOT** include electrical, plumbing setup, or rigging other than standard ground level delivery.

CUSTOMER RESCHEDULING OR CANCELLATION OF SCHEDULED PRODUCT INSTALLATION/ONSITE RAMP UP AND COSTS

Customer acknowledges and agrees that in the event Customer reschedules or cancels a scheduled Product installation or onsite ramp up with less than ten (10) working days advance written notice to HP, Customer shall be responsible to reimburse HP for all reasonable costs and expenses incurred by HP as a result of such rescheduling or cancellation including, without limitation, non-refundable travel costs, flight cancellation/change penalties, labor costs, lodging and meals. HP shall invoice Customer for such cancellation costs of \$1,000.00 for 2 weeks cancellation notice on Ramp Up support and \$2,000.00 for 1 week cancellation notice on Ramp Up support and Customer shall pay the same in accordance with the invoice terms.

CONFIDENTIALITY; PROPRIETARY RIGHTS This clause supersedes any other confidentiality provision in the Agreement. Customer acknowledges that all software and all technical and manufacturing techniques, concepts and methods relating to the Products, plus all information identified by HP as proprietary or confidential, (collectively, the "Confidential Information") shall remain the sole and exclusive property of HP, subject only to Customer's right of use as expressly set forth herein. Customer agrees to hold all Confidential Information in confidence and not to disclose the Confidential Information to any third party, except to those employees of Customer who must have access to the Confidential Information in order to use the Products in accordance with the terms of this Agreement. Upon execution of a non-disclosure agreement satisfactory to HP in its sole discretion, the Confidential Information may be disclosed to Customer's consultants who have been retained to perform services in connection with the Products. Customer's obligations under this section shall survive any termination of the Agreement.

SPECIALLY REGULATED APPLICATIONS Customer acknowledges that in printing certain specially regulated applications such as medical devices, pharmaceuticals, cosmetics, food or substances intended for consumption, veterinary health, nutritional products, toys or similar items and their packaging, ("Specially Regulated Applications"), Customer shall comply, and ensure that the printed product complies, with all applicable laws and regulations where the printed application is produced and/or sold, supplied or otherwise distributed or placed on the market. The Specially Regulated Applications listed herein are illustrative only and do not constitute an exhaustive list of the applications which may be subject to legal and regulatory requirements. Additionally, Customer shall: (i) ensure that all materials utilized in the printing process are suited for the intended application and its conditions of use; and (ii) that the printing is performed in accordance with good manufacturing practice, ("GMP"), including ensuring that migration of ink components through the packaging material and/or printing substrate to its inner surface, or residual ink components on the inner surface, are not at levels that adversely impact the contents of the packaging. Customer shall undertake to communicate to its customers and require that they in turn communicate further to their customers where legally required or in accordance with good industry practice that certain Specially Regulated Applications are generally subject to applicable legal and regulatory requirements where the printed application is produced and/or sold, supplied or otherwise distributed or placed on the market. Customer shall be responsible for complying with all relevant laws and regulations to which Customer may be subject in using the HP-branded Products for manufacturing Specially Regulated Applications.

REQUIRED TRAINING COURSES AND OPTIMIZATION VISITS

<http://www8.hp.com/us/en/graphicstraining/index.html>

For the Product described on the face-page of this Transaction Document, HP will provide to Customer, as part of the Product price, per press, the following training courses at one of HP's designated Training Centers:

- Level 1 Operator Training for two (2) of Customer's press operators;
- Digital Front End Tools/PrePress Training for one (1) of Customer's press operators; and
- Level 2 Operator Training for one (1) of Customer's press operators.

PRIOR TO OPERATING THE EQUIPMENT, at least one of Customer's press operators must satisfactorily complete the Level 1 Press Operator Training and be competent and properly trained. **If Customer does not complete the Required Training or Optimization Visit within six (6) months of installation of the press, then Customer shall be deemed to have waived its right to receive such training/visit for no additional fee and must pay the then current training fees prior to having an operator attend the training.** HP reserves the right to deny admission to any individual press operator for any reason including, but not limited to, lack of available seats or lack of basic press background. Customer is responsible for applying for training. Customer shall also be solely responsible for all compensation, travel, accommodations, and expenses of its employee(s) in connection with such training. Any and all additional training services provided by HP, other than the Required Training, such as retraining or training of an additional operator, shall be billed to Customer at the then current training fees.

The following terms apply to training delivered at any HP Location:

(a) All course materials provided to each student for use throughout the course are the copyrighted works of HP or the original content provider. The course materials are provided to each student for the sole use of the person attending the classes and may not be used by any other person and may not be reproduced, distributed or modified without the written permission of HP. The student may take possession of the provided course materials upon completion of the course, subject to the above stated copyright interests of HP or of any original content provider.

(b) HP prohibits the video and/or audio taping of HP training courses.

(c) Dedicated training equipment should be in a non-production environment.

(d) HP reserves the right to cancel or postpone any training if the course requirements outlined in this document are not met by the Customer.

(e) Course cancellation or rescheduling made within ten (10) working days prior to each course session date will be subject to the full course fee. The cancellation fee charged to customer will be \$2,000.00 if cancellation is made with one (1) week notice, and \$1,000.00 if cancellation is made within (2) week notice.

UPGRADE ONSITE TRAINING AND OPTIMIZATION VISITS

The following terms apply to Onsite Training and Optimization Visits delivered at the Customer's site only if the onsite upgrade fee has been purchased and itemized under the Product Description section:

(a) All course materials provided to each student for use throughout the course are the copyrighted works of HP or the original content provider. The course materials are provided to each student for the sole use of the person attending the classes and may not be used by any other person and may not be reproduced, distributed or modified without the written permission of HP. The student may take possession of the provided course materials upon completion of the course, subject to the above stated copyright interests of HP or of any original content provider.

(a) All course materials provided to each student for use throughout the course are the copyrighted works of HP or the original content provider. The course materials are provided to each student for the sole use of the person attending the classes and may not be used by any other person and may not be reproduced, distributed or modified without the written permission of HP. The student may take possession of the provided course materials upon completion of the course, subject to the above stated copyright interests of HP or of any original content provider.

(b) HP prohibits the video and/or audio taping of HP training courses.

(c) Dedicated training equipment should be in a non-production environment.

(d) HP reserves the right to cancel or postpone any training if the course requirements outlined in this document are not met by the Customer.

(e) Course or rescheduling made within ten (10) working days prior to each course session date will be subject to the full course fee. The cancellation fee charged to customer will be \$2,000.00 if cancellation is made with one (1) week notice, and \$1,000.00 if cancellation is made within (2) week notice.

(f) Product training at the Customer's site, with the purchase of the onsite upgrade, includes up to: 3 Level 1 Operator training seats and 2 DFE/PrePress seats (not to be combined)

Customer is not entitled to both the onsite training and the designated training center training unless purchased separately and indicated under the Product Description section of this Transaction Document.

CUSTOMER

BY: M. Bedrosian

PRINT NAME: Michael Bedrosian

TITLE: CEO

DATE: July 6/17

INDIGO AMERICA, INC., a wholly owned subsidiary of HP Inc.

BY: _____

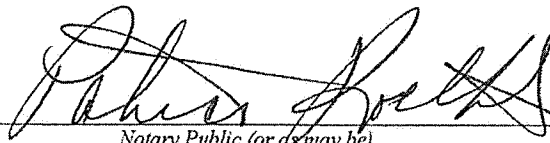
PRINT NAME: _____

TITLE: _____

DATE: _____

EXHIBIT “J”

This is Exhibit "J" referred to in the Affidavit of Frank V. Tannura
sworn July 27, 2018



Notary Public (or as may be)



EXHIBIT

"J"

Hewlett-Packard Financial Services Canada Company
6150 SPECTRUM WAY
MISSISSAUGA, ONTARIO L4W 5G1

Enterprise Business Lease Agreement

Lessee (Complete Legal Name): **Safety Seal Plastics Inc.**

Lease Agreement Number: **539907514800001**

This lease (including the attached Schedule A, this "Lease") refers throughout to Lessee as "you" or "your" and to Lessor as "we", "us" or "our". In consideration of our purchase of the equipment described on Schedule A (the "Equipment"), you hereby lease the Equipment from us for your business purposes only (and not for personal, family, farming or household purposes), subject to all terms and conditions of this Lease. You acknowledge that you selected the vendor as identified in Schedule A (the "Vendor") and all such Equipment without our assistance. You agree that this Lease is a net lease so you will pay, by Lease payment increase or upon our demand, all costs, fees, taxes (e.g. property, sales and use taxes) or other charges connected with the Lease and the Equipment, as well as all costs for insurance, repairs, maintenance, shipping, and filing fees. You authorize us to adjust your Lease payment by up to five percent (5%) if the actual total cost of the Equipment at acceptance varies from the original estimate. You agree to pay the amounts specified in Schedule A on the due dates specified therein. If you do not elect to either purchase the Equipment, renew the Lease or return the Equipment by the end of the Lease term in accordance with the terms of this Lease, or you fail to comply with your obligations arising from the election, you will continue to pay the original Lease payments for any full or partial month (or quarter, if quarterly payments apply) that you keep the Equipment. We retain title to the Equipment at all times under this Lease, and you authorize us to file a financing statement under the Personal Property Security Act (as enacted and in effect in any applicable jurisdiction, the "PPSA") to give public notice of our ownership of the Equipment. If this Lease is deemed to be a security agreement under the applicable PPSA, then to secure payment and performance of your obligations under this Lease, you hereby grant us a security interest (which shall include a purchase money security interest) in the Equipment and in all attachments, accessories, additions, products, replacements, and proceeds (including insurance proceeds) to and of the Equipment, as well as a security interest in any other equipment we have leased to or financed for you, and you authorize us to file a PPSA financing statement to perfect such security interest. You hereby waive your right to receive any verification statements or financing statements and to modify Schedule A to reflect any Lease payment adjustment provided for above and to complete or modify any Equipment description in Schedule A or any related document to describe accurately the Equipment actually accepted by you.

EXCEPT AS TO QUIET ENJOYMENT, WE MAKE ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING NO WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. You can only make any claim relating to the Equipment against the Vendor or manufacturer, and you waive any such claim against us. We hereby assign any Equipment warranties during the Lease term for your exercise at your expense. **WE WILL NOT BE LIABLE FOR INCIDENTAL, SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES.** YOU AGREE TO MAKE PAYMENTS TO US WHEN DUE, UNCONDITIONALLY, WITHOUT ABATEMENT OR OFFSET FOR ANY CAUSE AND REGARDLESS OF ANY PROBLEMS WITH THE EQUIPMENT, VENDOR, OR US AND YOU WAIVE ANY CLAIM OR DEFENSE TO ANY LEASE PAYMENT. You agree to indemnify us against third party claims or other loss or damages, including attorneys' fees, arising directly or indirectly out of Equipment defects, use, or operation, and whether arising out of breach of contract, tort, or strict or product liability. You agree not to move the Equipment or to transfer, sell, sublease, hypothecate or encumber either the Equipment or any rights under this Lease without our prior written consent. We may freely assign our rights and interests under this Lease without notice to you or your consent. You agree that our assignee will have the same rights and remedies as we do and that our assignee's rights will not be subject to any claims or defenses you may have against us.

You and any guarantor hereby represent that all financial and business information you have provided to us in connection with this Lease is accurate and not misleading and further, authorize us to confidentially share such information about you and any guarantor (including personally identifiable information) with our affiliates, assignees, potential assignees, the Vendor and other third parties providing services to us. We own the Equipment and, unless you have selected a \$1.00 End of Term Purchase Option, we retain all benefits of ownership and you agree not to take any position inconsistent with our ownership. We may inspect the Equipment and attach Equipment ownership labels.

You are solely responsible for the installation, operation, and maintenance of the Equipment, will keep it in good condition, will use it in compliance with applicable law, will not attach it to building fixtures, and will not export or transfer any Equipment, related software or source code to a prohibited destination or to nationals of proscribed countries. You bear all risk of loss or

damage to or from the Equipment arising prior to its return to us and will provide to us a certificate showing that you have all risk replacement cost coverage for the Equipment, naming us and our assignees as loss payee(s) and adequate liability insurance coverage naming us and our assignees as additional insureds. Upon the occurrence of any loss or damage to the Equipment, if you fail to timely repair or replace the Equipment (with equipment satisfactory to us and with good title to such equipment placed in our name), you agree to immediately pay us the replacement cost of the Equipment plus all lease payments and other amounts due and owing with respect to such Equipment. If you fail to provide us with a certificate showing you have adequately insured the Equipment, we (or our assignee if applicable) may purchase insurance at your expense to provide coverage against our loss or damage regarding the Equipment.

You do not and will not: 1) export, re-export, or transfer any Equipment, software, source code or any direct product thereof to a prohibited destination, or to nationals of proscribed countries wherever located, without prior authorization from the United States and other applicable governments; and 2) use any Equipment, software or technology, technical data, or technical assistance related thereto or the products thereof in the design, development, or production of nuclear, missile, chemical, or biological weapons or transfer the same to a prohibited destination, or to nationals of proscribed countries, without prior authorization from the United States and other applicable governments. You are not an entity or person designated by the United States government or any other applicable government with which transacting business without the prior consent of such government is prohibited.

You are familiar with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, the Corruption of Foreign Public Officials Act (Canada), and other analogous anti-corruption legislation in other jurisdictions in which you conduct business or which otherwise apply to you, and with related regulations (collectively the "Anti-Corruption Laws"). You shall not in connection with this Lease: (i) make any improper payment or transfer anything of value, offer, promise or give a financial or other advantage or request to, or agree to receive or accept a financial or other advantage from, either directly or indirectly, any government official or government employee (including employees of a government corporation or public international organization) or to any political party or candidate for public office or to any other person or entity with an intent to obtain or retain business or otherwise gain an improper business advantage; or (ii) take any action which would cause us to be in violation of any Anti-Corruption Laws. You shall promptly notify us if you become aware of any violation of the representations and covenants set forth in this paragraph.

If you do not pay or perform any obligation under this Lease and fail to cure such breach (a) within 10 days of receipt of notice from us of such breach, with respect to a payment breach, and (b) within 15 days of your receipt of notice from us of such breach, with respect to all other breaches, or you or any guarantor die, become insolvent or unable to pay debts when due; stop doing business as a going concern; merge, amalgamate, consolidate, transfer all or substantially all of your assets; make an assignment for the benefit of creditors, file bankruptcy, appoint a trustee or receiver or undergo a material adverse change in your financial or operating condition; allow any levy or encumbrance against the Equipment; misrepresent any material fact to us, we can do any or all of the following: (1) accelerate without notice all payments provided for in this Lease, (2) immediately repossess the Equipment, (3) collect all costs of collection, including any bad cheque charges and reasonable attorneys' fees, (4) collect lost tax benefits and all unpaid amounts due hereunder, (5) sell or relet the Equipment, (6) as liquidated damages, be entitled to receive immediately all payments provided for in this Lease plus the then "Fair Market Value" (as defined below) of the Equipment, (7) terminate this Lease and (8) exercise all other remedies at law or equity. If we do not receive any payment when due, you will pay a one-time late charge on any overdue payment equal to the greater of \$.10 per dollar for each late payment, or \$15 (to compensate for the cost and expense of collecting and processing the late payment), plus a charge of 18% per annum, calculated monthly, every month after the first month in which the payment is late (for damages including our inability to reinvest the late amount), but in any case, never to exceed more than the maximum charge allowed by law. In addition, if you are delinquent in payment, you agree to pay the actual out-of-pocket expenses incurred by us in our collection efforts (including, but not limited to, any bad check charges). Your payments may be applied, as we elect, first to the oldest amount due. Our action or failure to act on any one remedy shall not constitute an election of such as our sole remedy. Any provision of this Lease is severable if unenforceable. Any action or claim by you against us shall be commenced within one year after the cause of action arises or be forever barred.

You agree to sign such other documents and take such other actions as we may require to accomplish the intent and purpose of this Lease. All of your representations, warranties, and obligations hereunder shall survive the termination of this Lease. All notices, demands and other communications required to be given under this Lease shall be in writing and shall be deemed to have been given if delivered personally or mailed via registered mail or a nationally recognized overnight courier service. **TIME IS OF THE ESSENCE. THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ONTARIO. THE PARTIES HERETO EXPRESSLY WAIVE ALL RIGHTS TO A TRIAL BY JURY IN ANY JURISDICTION. LEASE AND, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, YOU AGREE THAT THE CIVIL ENFORCEMENT ACT OF ALBERTA (OR ANY AMENDMENT OR SUCCESSOR LEGISLATION TO SAID ACT), OR, IF LESSEE IS A CORPORATION, THE LIMITATION OF CIVIL RIGHTS ACT OF SASKATCHEWAN (OR ANY AMENDMENT OR SUCCESSOR LEGISLATION TO SAID ACT), OR ANY OTHER SEIZE OR SUE OR ANTI-DEFICIENCY STATUTE OR SIMILAR PROVISION SHALL HAVE NO APPLICATION TO THIS LEASE, AS AMENDED, OR TO ANY COLLATERAL AGREEMENT OR RENEWAL OR EXTENSION THEREOF, OR ANY MORTGAGE, CHARGE OR OTHER SECURITY CREATED THEREBY.** You acknowledge that neither any Vendor nor any Equipment salesperson is an agent of ours nor are they authorized to waive or alter the terms of this Lease. Their representations in no way affect any of our rights and obligations as herein set forth. If you transmit a signed copy of this Lease, Schedule A, the Delivery and Acceptance Certificate, or any agreement or instrument entered into in connection with this Lease or contemplated hereby and any amendments hereto or thereto, to us by facsimile, our password-only access website, electronic mail response to our initiated electronic mail, or as an electronically scanned document (the "Electronic Signature Agreement"), you acknowledge that where we agree to sign the Electronic Signature Agreement or, with respect to the Delivery and Acceptance Certificate, fund the invoices in reliance upon such Delivery and Acceptance Certificate, such Electronic Signature Agreement will be binding upon both parties as if the Electronic Signature Agreement contained your original manual signature. The parties further agree that for all purposes, filings or proceedings relating to this Lease, the Electronic Signature Agreement bearing our original manual signature will constitute an original copy of any such document. To the extent this Lease constitutes chattel paper (as defined in the *Personal Property Security Act* or comparable legislation in effect in any applicable jurisdiction), no security interest in this Lease may be created except by possession or transfer of a) the executed copy bearing your and our original manual signatures or b) a copy of the Lease which constitutes an Electronic Signature Agreement signed by both parties.

The parties acknowledge that they have requested that this agreement and any other agreements or notices required or permitted to be made or given under the provisions of this contract, are written in English only. Les parties confirment qu'il est de leur volonté expresse et réciproque que ce bail et tous contrats, documents reliés et communications soient rédigés en anglais, soit qu'ils aient été signés ou transmis antérieurement, en même temps ou postérieurement à la date des présentes.

The parties hereto agree, on behalf of themselves and their respective affiliates, and officers, directors and employees of the foregoing, that a) any and all communications with respect to any matters arising under this Lease or any potential business relationship between the parties may be communicated electronically (collectively "Business Communications"), b) they have given consent to electronic communications as may be required under Canada's Anti-Spam Legislation ("CASL"), and c) any other requirements of CASL as to content of such Business Communications, including without limitation, identification of sender address or unsubscribe requirements, now or in the future, are and shall be deemed met or waived.

If you have on a timely basis fully complied with all the terms and conditions of this Lease, you may choose to exercise one of the following options upon the natural expiration of the term or any extension or renewal term, provided however, you must give us written notice of your elected option not less than ninety (90) days before expiration of the relevant term:

1. **PURCHASE OPTIONS:** You may purchase the Equipment for the Purchase Price (as defined below) on an "all or none" and "as-is, where-is" basis, without any representations or warranties, including no warranties of merchantability or fitness for a particular purpose. "Purchase Price" means (a) if you have selected a FMV End of Term Purchase Option (as indicated on Schedule A), an amount equal to the lower of the then Fair Market Value of the Equipment (plus all applicable taxes) or \$227,000 USD (plus all applicable taxes), or (b) if you have selected a 10% End of Term Purchase Option (as indicated on Schedule A), an amount equal to ten percent (10%) of the original Equipment cost (plus all applicable taxes), or (c) if you have selected a \$1.00 End of Term Purchase Option (as indicated on Schedule A), an amount equal to one dollar (\$1.00) (plus all applicable taxes). "Fair Market Value" means the price that a willing buyer (who is neither a lessee in

possession nor a used equipment dealer) would pay for the Equipment in an arm's-length transaction to a willing seller under no compulsion to sell; provided, however, that in such determination: (i) the Equipment will be assumed to be in the condition in which it is required to be maintained and returned under this Lease, (ii) in the case of any installed Equipment, that Equipment shall be valued on an installed basis, and (iii) costs of removal from the current location shall not be a deduction from such valuation. If you and we are unable to agree on the Fair Market Value of the Equipment at least thirty (30) days before Lease expiration, we will appoint an independent appraiser (reasonably acceptable to you and at your expense) to determine the Fair Market Value and such appraiser's determination will be final, binding and conclusive.

2. **RENEWAL OPTION:** You may renew the Lease at the then Fair Market Rental Value. "Fair Market Rental Value" means the amount of periodic rent that would be payable for the Equipment in an arm's length transaction between an informed and willing lessee and an informed and willing lessor, neither under compulsion to lease. Such amount will not be reduced by the costs of removing any Equipment from its current location or moving it to a new location. In the event of such an election, Lessee shall enter into a mutually agreeable renewal agreement with us on or before the last day of the then applicable term confirming the period for which the Lease is to be renewed (the "Renewal Term"), and the amount of Rent and the times at which such Rent is to be payable during the Renewal Term.

3. **EQUIPMENT RETURN OPTION:** You may return the Equipment, at your expense, to a location designated by us on or before the last day of the Lease term. Upon return, the Equipment must be in the same condition as when you first received it. For all Equipment to be returned to us, you agree to (a) remove any of your labels, tags or other identifying marks on the Equipment and wipe clean or permanently delete all data contained on the Equipment, including without limitation, any data contained on internal or external drives, discs, or accompanying media, and (b) pack the Equipment in accordance with the manufacturer's guidelines. You must also return to us all copies of any operating system software including any original certificate of authenticity issued by the licensor of such software, if any.

4. **AUTOMATIC EXTENSION.** If the Lease does not contain a \$1.00 End-of-Term Purchase Option, and you fail to deliver to us the End-of-Term Notice not less than ninety (90) days before the expiration of the relevant term, then, without any additional notice or documentation, the then relevant term shall be automatically extended for successive calendar months with respect to all items of Equipment subject to this Lease through the end of the calendar month falling at least 90 days after the date you shall have delivered to us an end-of-term notice with respect to this Lease and all other provisions of the Lease shall continue to apply. If you deliver such end-of-term notice, but shall have subsequently failed to comply with its obligations arising from the elections specified therein; then the then applicable term of this Lease shall, without any additional notice or documentation, be automatically extended. For each calendar month (or quarter if applicable) that the then applicable term of this Lease is so extended, you shall pay to us Lease Payments in an amount equal to the monthly (or quarterly if applicable) Lease Payment in effect immediately prior to such extension, and all other provisions of the Lease shall continue to apply.

By signing and initialing a copy of this Lease where required below you are agreeing to all of the terms and conditions of this Lease, including the terms and conditions contained in Schedule A, each of which is hereby incorporated by reference into this Enterprise Business Lease Agreement. This Lease shall become effective upon our acceptance hereof but we will have no obligation to purchase the Equipment until you have accepted it as set forth below.

READ CAREFULLY BEFORE SIGNING

THIS LEASE IS NON-CANCELLABLE AND IS OUR FULL AND FINAL AGREEMENT, MERGING ALL PRIOR UNDERSTANDINGS, AND CANNOT BE MODIFIED OR TERMINATED EXCEPT BY A WRITTEN AGREEMENT SIGNED BY YOU AND BY A CORPORATE OFFICER OF OUR COMPANY. YOU WARRANT TO US THAT YOU HAVE RECEIVED, REVIEWED AND APPROVED YOUR VENDOR'S WRITTEN SUPPLY CONTRACT COVERING THE EQUIPMENT TERMS OF SALE AND WARRANTIES. YOU HEREBY AUTHORIZE US TO PURCHASE THE EQUIPMENT IN RELIANCE SOLELY UPON YOUR STATEMENTS HEREIN. YOU AGREE TO EXECUTE AND DELIVER TO US A DELIVERY AND ACCEPTANCE CERTIFICATE UPON OUR REQUEST. "ACCEPTANCE DATE" MEANS THE DATE SET FORTH IN ANY DELIVERY AND ACCEPTANCE CERTIFICATE REQUESTED BY US. THE TERM OF THIS LEASE SHALL BEGIN ON THE ACCEPTANCE DATE.

LESSEE SIGNATURE Safety Seal Plastics Inc.

BY: X _____

Print Name and Title of Signatory: _____

DATE: _____

ACCEPTED BY: Hewlett-Packard Financial Services Canada Company

BY: _____

DATE: _____

Schedule A to Business Lease Agreement
Lease Agreement Number:
5399075148000001

Lessee (full legal name): Safety Seal Plastics Inc.			
Billing Address: 400 Michener Road Unit 1, Guelph, ON, N1K 1E4, CANADA			
Lessee's GST Registration No.:			
Telephone Number (including area code): 905-575-9699		Fax Number (including area code):	
Equipment Description: See Attached Annex 1 To This Schedule A			
Equipment Location: (if different from Billing Address) 400 Michener Road Unit 1, Guelph, ON, N1K 1E4, CANADA			
Vendor Information: (name) Indigo America, Inc. a wholly owned subsidiary of HP Company			
Term: 84 months	End-of-Term Option*: FAIR MARKET VALUE	Lease Payment #1: \$161,349.10 USD Lease Payment #2-84: \$ 19,495.51 USD	Total Cost: \$1,613,491.00 USD
Advance Lease Payment: n/a (The payment of any Advanced Lease Payment reflected herein shall be a condition to our agreement to this Lease and may include either or both of the following: (a) applicable taxes, and (b) "any other "Up-front Payment", meaning such amount determined by us required upon the execution of this Lease and shall be credited against the original cost of the Equipment leased under this Lease.)		Lease Payment Frequency (check one): Monthly in Advance You shall pay us the Lease Payments specified above for the length of the Term on: (a) the first day of the month or calendar quarter following the Acceptance Date (depending on whether Lease payments are payable monthly or quarterly as specified above) or, on the Acceptance Date if the Acceptance Date is the first day of the month or calendar quarter, and on the first day of each calendar month or calendar quarter thereafter (depending on whether Lease payments are payable monthly or quarterly as specified above) if Lease payments are payable in advance, or (b) on the last day of the month or calendar quarter following the Acceptance Date or, on the Acceptance Date if the Acceptance Date is the last day of the month or calendar quarter, and on the last day of each calendar month or calendar quarter thereafter (depending on whether Lease payments are payable monthly or quarterly as specified above) if Lease payments are payable in arrears, or (c) The Acceptance Date and on the same day of each month thereafter, if the "monthly in advance beginning on Acceptance Date" option is checked above. Interim Rent: n/a If this line is checked, you shall also pay rent accrued for the number of days from the Acceptance Date through and including the due date of the first Lease Payment times the daily rent. The Lease payment specified above expressed on a per diem basis, assuming a 360 day year and 30 day months.	
		Total First Payment: \$161,349.10 (The Total First Payment shall include any Advance Lease Payment and Interim Rent.)	

***If you have selected a \$1 purchase option, the following provision applies:**

Interest Act Compliance. For the purposes of the *Interest Act* (Canada), any rate of interest made payable under the terms of this Schedule at a rate or percentage (the "**Contract Rate**") for any period that is less than a consecutive 12 month period, such as a 360 or 365 day basis, (the "**Contract Rate Basis**"), is equivalent to the yearly rate or percentage of interest determined by multiplying the Contract Rate by a fraction, the numerator of which is the number of days in the consecutive 12 month period commencing on the date such equivalent rate or percentage is being determined and the denominator of which is the number of days in the Contract Rate Basis.

LESSEE (INITIAL): X_____

Annex 1

To Schedule A Forming Part of Lease Agreement # 5399075148000001 between Lessor and Safety Seal Plastics Inc., Lessee

All that certain Equipment as described in Quote Number #34225 attached hereto.

Equipment Description: HP Indigo Digital Press Printers
Equipment Description: HP Integral Softcosts
Equipment Description: Other HP/Non HP Hardware
Equipment Description: Other HP/Non HP Hardware
Equipment Description: HP Software / SoftCosts
Equipment Description: Soft Costs Maintenance
Equipment Description: Fees Consultancy

The described items constitute all the Equipment covered by the above referenced Lease.

LESSEE (INITIAL): X _____

DELIVERY AND ACCEPTANCE CERTIFICATE

Hewlett-Packard Financial Services Canada Company ("we", "us" or "our") and **Safety Seal Plastics Inc.** ("you" or "your") are parties to the Business Lease Agreement (the "Lease") identified by the Business Lease Agreement Number specified above. The Business Lease Agreement and its exhibits together comprise a Lease that is being accepted and commenced pursuant to this Delivery and Acceptance Certificate. All capitalized terms used in this Delivery and Acceptance Certificate without definition shall have the meanings ascribed to them in the Lease.

1. LEASE ACCEPTANCE. You hereby acknowledge that the Equipment described in the Schedule A or if different, the Equipment described in the attached invoice or other attachment hereto, has been delivered to the Equipment Location specified below, inspected by you and found to be in good operating order and condition, and has been unconditionally and irrevocably accepted by you under the Lease evidenced by the Business Lease Agreement as of the Acceptance Date set forth below.

2. LESSEE ACKNOWLEDGEMENTS. You hereby agree to faithfully perform all of your obligations under the Business Lease Agreement and reaffirm, as of the date hereof, your representations and warranties as set forth in the Business Lease Agreement. You hereby acknowledge your agreement to pay us Lease payments, as set forth in the Schedule, plus any applicable taxes, together with all other costs, expenses and charges whatsoever which you are required to pay pursuant to the Business Lease Agreement, in each instance at the times and in the manner set forth in the Business Lease Agreement, respectively.

3. EQUIPMENT LOCATION. The Equipment has been installed and is located at the following Equipment Location:
400 Michener Road Unit 1, Guelph, ON, N1K 1E4, CANADA

Safety Seal Plastics Inc.

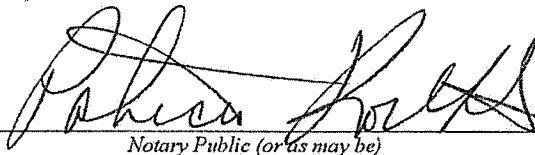
BY: _____

Name and Title

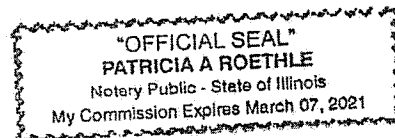
Acceptance Date: _____

EXHIBIT “K”

This is Exhibit "K" referred to in the Affidavit of Frank V. Tannura
sworn July 27, 2018



Notary Public (or as may be)





Thornton Grout Finnigan LLP
RESTRUCTURING + LITIGATION

EXHIBIT "K"

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

D.J. Miller
T: 416-304-0559
E: djmiller@tgf.ca
File No. 100-410

February 13, 2018

VIA EMAIL

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Attention: Harvey Chaiton

Dear Harvey:

Re: Indebtedness of Safety Seal Plastics Inc. (the "Company") to HSBC Bank Canada (the "Bank")

We represent the Bank in respect of this matter, and you have confirmed that you represent the Company. This letter confirms our conversation with you yesterday in respect of the captioned matter.

As mentioned, the Company is in default of numerous terms of the credit facility agreement dated September 7, 2017 (the "Credit Facility Agreement"). The Bank is also concerned with recent events including the termination of the Company's President and CEO and sole Canadian resident director (and corresponding compliance with the corporate governance requirements under the *Ontario Business Corporations Act*), and the timeliness and accuracy of the Company's financial reporting, among other issues.

Unless otherwise defined, all capitalized terms used herein have the meanings given to them in the Credit Facility Agreement.

The amount outstanding under the Operating Loan Facility is currently in excess of the Margin Requirement, such that no further borrowings are permitted thereunder. **Effective immediately,**



Thornton Grout Finnigan LLP

2.

the aggregate amount of credit available under the Operating Loan Facility is capped at CAD\$2,500,000.

The Bank will review the situation on a day-to-day basis. The Bank trusts that the Company will make it a priority to provide the necessary information and continued access to the Bank and its consultant Deloitte to facilitate such review.

Existing defaults have not been waived by the Bank and there is no agreement on the part of the Bank at this time to forbear from enforcing any of its rights and remedies. No delay by the Bank in enforcing any of its rights and remedies against the Company or the Guarantors shall constitute a waiver by the Bank of any of the existing defaults. The Bank expressly reserves all of its rights and remedies under the Credit Facility Agreement, the security documentation delivered by the Company or Guarantors to the Bank and otherwise including, without limitation, the right to immediately terminate the Credit Facilities, demand payment of the Credit Facilities and take steps to enforce the security granted to the Bank by the Company or the Guarantors.

Yours truly,

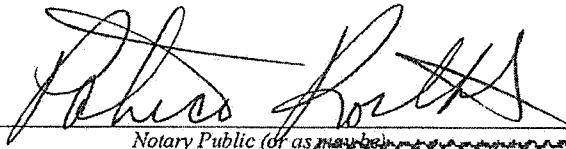
Thornton Grout Finnigan LLP

A handwritten signature in blue ink, appearing to read 'D.J. Miller'.

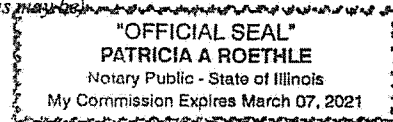
per D.J. Miller
DJM/PF

EXHIBIT “L”

This is Exhibit "L" referred to in the Affidavit of Frank V. Tannura
sworn July 27, 2018



Notary Public (or as may be)





Thornton Grout Finnigan LLP
RESTRUCTURING + LITIGATION

EXHIBIT "L"

Canadian Pacific Tower
Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

Puya Fesharaki
T: (416) 304-7979
E: pfesharaki@tgf.ca
File No. 100-410

February 15, 2018

VIA EMAIL

Safety Seal Plastics Inc.
400 Michener Road, Suite #1
Guelph, ON N1K 1E4

Attention: **James G. Reilly (Director)**
Frank V. Tannura (Director)

Dear Sirs:

Re: Indebtedness of Safety Seal Plastics Inc. (the "Borrower") to HSBC Bank Canada (the "Bank")

We are the solicitors for the Bank with respect to the above captioned matter.

We refer to the credit facilities made available by the Bank to the Borrower (the "Credit Facilities") pursuant to a credit facilities letter agreement dated September 7, 2017 (the "Credit Facility Letter"). As at February 15, 2018, the Borrower is indebted to the Bank in the amount of CAD\$4,782,987.82 and USD\$89,120.91 plus accruing interest and costs as set out in Schedule "A" attached hereto (the "Indebtedness").

Effective immediately, the Bank terminates all Credit Facilities such that no further credit is available thereunder.

On behalf of the Bank, we hereby demand payment from the Borrower of the Indebtedness, namely the sum of CAD\$4,782,987.82 and USD\$89,120.91 together with accruing interest and costs.

Payment can be made by either certified cheque or bank draft at the following address:

HSBC Bank Canada
70 York Street, 6th Floor
Toronto, ON M5J 1S9

Attention: **Andrew O'Coin**
Assistant Vice President



Thornton Grout Finnigan LLP

2.

or to Thornton Grout Finnigan LLP at the above noted address, to the attention of the undersigned.

If full payment, as set forth above, is not received by 5:00pm on **Monday, February 26, 2018**, the Bank will take whatever steps it deems appropriate to seek repayment of the Indebtedness.

We also enclose herewith a Notice of Intention to Enforce Security delivered to you in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If you consent to the Bank enforcing its rights and remedies without further delay, please date and execute one copy of the consent attached to the enclosed Notice of Intention to Enforce Security and return same to the undersigned by facsimile forthwith.

Be advised that the Borrower's guarantors are concurrently receiving demands for their respective obligations under their guarantees.

Yours truly,

Thornton Grout Finnigan LLP

Puya Fesharaki

Encl.

cc: Andrew O'Coin, *HSBC Bank Canada (via email)*

2276594_1.docx

Schedule "A"

**Indebtedness of the Borrower to the Bank
as at February 15, 2018**

Facility	Principal Balance	Accrued Interest¹	Currency	Total
Operating Loan Facility	\$2,424,057.78	\$4,487.57	CAD	\$2,428,545.35
Capital Loan Facility	\$2,300,000.00	\$4,442.47	CAD	\$2,304,442.47
MasterCard Facility	\$50,000.00 ²		CAD	\$50,000.00
TOTAL IN CAD:				\$4,782,987.82
Lease Facility	\$89,120.91		USD	\$89,120.91
TOTAL IN USD:				\$89,120.91

¹ Interest accrues at the Bank's Prime Rate + 1.25% per annum. As at February 15, 2018, the Bank's Prime Rate is 3.45%.

² Amount of MasterCard Facility Authorized Limit. Upon repayment, any surplus will be refunded to the Borrower.

E. & O. E.

EXHIBIT “M”

This is Exhibit "M" referred to in the Affidavit of Frank V. Tannura
sworn July 27, 2018

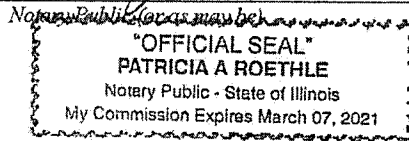
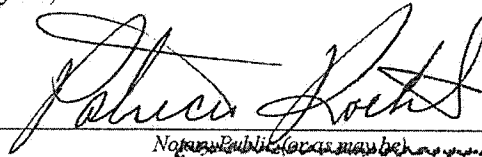




EXHIBIT "M"

March 14, 2018

VIA EMAIL

Safety Seal Plastics Inc.
400 Michener Road, Suite #1
Guelph, ON N1K 1E4

Attention: **James G. Reilly**
Frank V. Tannura

Dear Sir:

Re: Indebtedness of Safety Seal Plastics Inc. (the "Company") to HSBC Bank Canada (the "Bank")

WHEREAS:

1. Pursuant to a credit facility agreement dated September 7, 2017 between the Company and the Bank (the "**Credit Facility Agreement**"), the Bank made available to the Company the following credit facilities:
 - (a) demand operating loan revolving facility (the "**Operating Line**") up to but not exceeding the lesser of:
 - (i) the Margin Requirement (as defined in the Credit Facility Agreement); and
 - (ii) \$3,500,000 (or the USD equivalent thereof),and subject to the Maximum Limit (as defined in the Credit Facility Agreement);
 - (b) \$2,300,000 demand non-revolving loan facility (the "**Capital Loan Facility**");
 - (c) \$50,000 MasterCard facility (the "**MasterCard Facility**");
 - (d) USD\$360,000 demand revolving foreign exchange facility (the "**Foreign Exchange Facility**"); and
 - (e) USD\$260,000 capital lease facility,(together, the "**Credit Facilities**").
2. Unless otherwise defined herein, all capitalized terms used herein shall have the meaning given to them in the Credit Facility Agreement. Unless otherwise indicated herein, all monetary amounts shall be in Canadian dollars.

HSBC Bank Canada
70 York Street, Toronto, Ontario M5J 1S9
Tel: (416) 868-8000

3. As at the opening of business on March 5, 2018, the Company's indebtedness to the Bank was the sum of CAD\$4,579,479.93 and USD\$78,868.06, plus interest, cost, and taxes accrued and accruing thereon, as set out in greater detail in Schedule "A" attached hereto.
4. As security for the present and future indebtedness and obligations of the Company to the Bank, the Company has granted to the Bank security on all of its personal property, assets and undertaking pursuant to, amongst other things, a first-ranking general security agreement dated November 28, 2012 (the "**Security**").
5. In addition, the Company has assigned to the Bank all monies payable pursuant to certain insurance policies set out in two separate Assignment of Insurance Agreements dated November 28, 2012 (the "**Assignment of Insurance Agreements**").
6. Michael Bedrosian and Frank Tannura (the "**Personal Guarantors**") have delivered to the Bank the following guarantees (collectively, the "**Personal Guarantees**") of the present and future indebtedness and obligations of the Company to the Bank:
 - (a) guarantee by Michael Bedrosian dated September 12, 2017 limited to the principal amount of \$200,000, plus interest and costs; and
 - (b) guarantee by Frank Tannura dated September 12, 2017 limited to the principal amount of \$125,000, plus interest and costs.
7. 2281373 Ontario Inc. delivered to the Bank a guarantee dated November 28, 2012 of the present and future indebtedness and obligations of the Company to the Bank (the "**Corporate Guarantee**" and together with the Personal Guarantees, the "**Guarantees**") limited to the principal amount of \$125,000, plus interest and costs.
8. 2281373 Ontario Inc. subsequently amalgamated with 2193174 Ontario Inc. on June 6, 2015. The amalgamated entity adopted the name Bedrosian Holdings Inc. (the "**Corporate Guarantor**" and together with the Personal Guarantors, the "**Guarantors**").
9. The Company is in default of numerous terms of the Credit Facility Agreement (the "**Defaults**") including, without limitation:
 - (a) Section 2.4 of the Credit Facility Agreement, which states that the Company must make monthly principal payments in respect of the Capital Loan Facility beginning in December 2017. The Company has ~~made~~ not made any such principal payments.
 - (b) Section 6 of the Credit Facility Agreement, which states that the Operating Loan must not exceed the Margin Requirement at any time. As at March 5, 2018, the Operating Line exceeded the Margin Requirement by \$678,981.
 - (c) Section 9(a)(i) of the Credit Facility Agreement, which states that the Company shall not permit its ratio of Debt to TNW to at any time exceed 2.50 to 1.0. As at December 31, 2017, the Company's ratio of Debt to TNW was 10.50 to 1.0.

- (d) Section 9(a)(ii) of the Credit Facility Agreement, which states that the Company shall not permit its ratio of current assets to current liabilities, as calculated in accordance with the provision, to at any time to be less than 1.25 to 1.0. As at December 31, 2017, the Company's ratio of current assets to current liabilities was 0.69 to 1.0.
 - (e) Section 9(b) of the Credit Facility Agreement, which requires the shareholders to inject additional capital in order to cure any financial covenant breaches under the Credit Facility Agreement, which include the covenant breaches set out in (c) and (d) above.
10. The Bank has engaged Deloitte Restructuring Inc. and Deloitte LLP ("**Deloitte**") as its consultant (the "**Consultant**") in order to review the financial performance of the Company and the security position of the Bank. The Consultant's analysis has confirmed material misstatements in the Company's previous financial reporting.
 11. The Company has prepared and provided to the Bank a weekly cash flow forecast for the period ending March 31, 2018 (the "**Cash Flow Forecast**") attached hereto as Schedule "**B**".
 12. The Company has advised the Bank that it is negotiating revised payment terms with certain of its existing lenders (the "**Revised Payment Terms**"), and that such Revised Payment Terms include deferrals of all principal payments due under such facilities until at least March 31, 2018. The Company negotiated such Revised Payments Terms in respect of certain obligations due to Hewlett-Packard Financial Services Company ("**HPFSC**") pursuant to the Forbearance Agreement between HPFSC and the Company dated February 16, 2018 (the "**HPFSC Agreement**") attached hereto as Schedule "**C**".
 13. The Bank was informed that Michael Bedrosian had resigned as a director and officer of the Company in early February. The guarantees provided by Michael Bedrosian and the Corporate Guarantor, of which Michael Bedrosian is the sole officer and director, together with certain other security documents held by the Bank in respect of Michael Bedrosian and the Corporate Guarantor, have not been released by the Bank.
 14. By letter dated February 15, 2018, the Bank demanded repayment from the Company (the "**Company Demand**") of the entirety of its obligations under the Credit Facilities and terminated the Credit Facilities as at the same date such that no further borrowings were permitted thereunder. Together with the letter, the Bank delivered to the Company a Notice of Intention to Enforce Security pursuant to the Section 244 of the *Bankruptcy and Insolvency Act* (the "**BIA**") (the "**BIA Notice**"). The notice period under the BIA Notice expired on February 26, 2018.
 15. By letters dated February 15, 2018, the Bank demanded payment from each of the Guarantors (the "**Guarantors Demands**" and together with the Company Demand, the "**Demands**") for the entirety of their obligations to the Bank pursuant their respective guarantees.

16. At the request of the Company, the Bank has agreed to forbear from enforcing its rights and remedies against the Company until March 31, 2018 (the "**Forbearance Deadline**"), subject to the conditions set forth herein, provided that nothing contained herein negates the terms of the Demands or the BIA Notice.
17. In consideration of the Bank's forbearance as described herein, for the other accommodations described herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Company and the Guarantors hereby agree with the Bank as follows:

ACKNOWLEDGEMENT

18. The Company and the Guarantors each acknowledge that:
 - (a) each of the foregoing recitals is true and correct;
 - (b) unless otherwise specified, all capitalized terms contained herein have the same meaning as in the Credit Facility Agreement and, unless otherwise indicated, all monetary amounts are expressed in Canadian dollars;
 - (c) all representations and warranties in the Credit Facility Agreement are hereby renewed, confirmed and continue;
 - (d) except as specifically set forth in this agreement, all terms and conditions of the Credit Facility Agreement shall remain in effect, unamended. To the extent that any provision thereof is inconsistent with this agreement, this agreement shall prevail;
 - (e) the Bank requires compliance with the terms of the Credit Facility Agreement and no failure on the part of the Bank to take steps following non-compliance shall constitute any waiver, accommodation, amendments or otherwise;
 - (f) the Company is indebted to the Bank under the Credit Facilities in the amounts specified in this agreement as at the date specified herein, together with interest and costs to the date of payment;
 - (g) each of the Company and the Guarantors have received demand letters from the Bank and have an obligation to pay the amounts set out therein; and
 - (h) the Security and the Guarantees are valid, binding and enforceable in accordance with their terms.
19. The Company and the Guarantors hereby consent to the terms of the Bank's forbearance and other accommodations as set out herein. The Company and the Guarantors specifically acknowledge that they have no defences, counterclaims or rights of set-off or reduction to any claims which might be brought by the Bank under the Security or in respect of the Credit Facilities.

20. The Company and the Guarantors hereby agree that they each absolutely and irrevocably release the Bank and its officers, directors, employees, solicitors and agents (including, without limitation, the Consultant) (the "Releasees") of and from any and all claims which they may have in respect of the Releasees up to and including the date hereof including, without limitation, any actions taken by the Bank in dealing with the Company, the Credit Facilities, or with the administration of the Company's accounts with the Bank.
21. Unless a Forbearance Terminating Event (as defined herein) occurs under this agreement, the Bank shall take no further steps prior to the Forbearance Deadline to enforce its rights and remedies under the Security or the Guarantees.

CONDITION PRECEDENT

22. This agreement is conditional upon and subject to the approval by the Bank's credit committee and the Bank receiving on or before 5:00pm on March 15, 2018, a duly authorized, executed and delivered original of this agreement (the "Condition Precedent").
23. If the Condition Precedent is not complied with by the date and time set out above, and the Bank will not waive satisfaction thereof, then the offer of forbearance and the other accommodations offered by the Bank hereunder shall be terminated.

CONDITIONS SUBSEQUENT

24. The Company agrees to deliver to the Bank the following documents in form and substance satisfactory to the Bank by the dates and times set out herein:
 - (a) on or before March 15, 2018, an officer's certificate from the Company that includes: (i) complete and properly executed by-laws of the Company; and (ii) a resolution: (a) ratifying or approving, as applicable, all documents already delivered, or to be delivered, to the Bank in respect of the indebtedness of the Company to the Bank; and (b) ratifying, approving of and authorizing any one officer or director of the Company to execute all such documents; and
 - (b) such further instruments, agreements or similar documents as may be necessary or desirable in the opinion of the Bank to carry out the provisions and purposes of this agreement or the Credit Facility Agreement,(together, the "Conditions Subsequent").
25. The Conditions Subsequent are for the sole benefit of the Bank and may be waived only in writing by the Bank. If the Conditions Subsequent are not complied with to the satisfaction of the Bank by the dates and times set out above, and the Bank will not waive satisfaction thereof, it shall be a Forbearance Terminating Event hereunder.

REPORTING REQUIREMENTS

26. On or before 5:00 p.m. on every Monday for the week ending the immediately preceding Friday, the Company shall deliver to the Bank and the Consultant, in a form acceptable to the Consultant:
 - (a) a statement of the actual cash receipts and disbursements, and actual cash position as against the Cash Flow Forecast; and
 - (b) an explanation of any material variance, being a 20% or greater variance, as between any line item on the Cash Flow Forecast and the actual results.
27. Notwithstanding anything else contained herein, during the forbearance period hereunder, borrowings under the Operating Line shall not exceed \$2,424,057.78, as set out in the Company Demand, save and except for the one-time excess not to exceed \$50,000 following repayment of the MasterCard Facility as set out in paragraph 31 below.
28. On or before 5:00pm on every Monday, the Company shall deliver to the Bank and the Consultant, in a form acceptable to the Consultant,
 - i) a report on all cheques to be issued or payments to be made by the Company during that week. In addition, the Company shall immediately advise the Consultant if it anticipates that the sum of its aggregate receipts will not be sufficient to fund its disbursements for that week. The Company agrees to not make payments that would, in the aggregate, cause it to exceed its receipts at any time without the prior written consent of the Bank, which consent may be withheld by the Bank in its sole discretion;
 - ii) the Company's accounts receivable subledger updated for all cash receipts collected, credit memos issued and invoices for new sales made as of the close of business for the week ending the immediately preceding Friday; and
 - iii) the Company's inventory subledger updated for all purchases received and new sales made as of the close of business for the week ending the immediately preceding Friday.
29. The Company agrees to provide to the Bank and the Consultant any information regarding the financial position of the Company or the security position of the Bank as the Bank or the Consultant may reasonably request from time to time. The Company will continue to provide to the Bank all regularly scheduled reporting in accordance with the terms of the Credit Facility Agreement.
30. The engagement of the Consultant shall continue until the date such engagement is terminated by the Bank. The Company agrees to cooperate fully with the Consultant and to provide to the Consultant unrestricted access to its books and records.

AMENDMENTS TO THE CREDIT FACILITIES

31. Effective immediately, the Bank shall debit the total aggregate principal balance, accrued interest, fees and reimbursable expenses, if any, owing by the Company with respect to the MasterCard Facility to the Operating Line, which shall constitute indefeasible payment in full of the MasterCard Facility. The MasterCard Facility was previously terminated on February 15, 2018 pursuant to the Company Demand.

ADDITIONAL TERMS

32. The Company shall not make any principal payments to any other secured creditor at any time on or before March 31, 2018 without the prior written consent of the Bank. Notwithstanding the foregoing, the Company is expressly permitted to pay to HPFSC any of the "Restructured Rent Payments" due prior to March 31, 2018 (the "**Permitted Payments**") set out in paragraph 10 of the HPFSC Agreement.
33. The Company agrees to the engagement of a qualified appraiser by the Consultant (the "**Appraiser**") to conduct a forced liquidation value appraisal of the Company's fixed assets. The Company will provide the Appraiser with complete and unfettered access to the premises at which the fixed assets are located and will cooperate with the appraiser as it carries out its mandate. The cost of the appraisal will be paid by the Company when the invoice is rendered by the Appraiser, failing which the Bank will be entitled to debit the Operating Line for the amount of the invoice.
34. The Company shall pay when due, or otherwise provide confirmation satisfactory to the Bank and Consultant that payment arrangements satisfactory to the Bank have been entered into by the Company to pay all claims which rank, or could rank, prior to the indebtedness and security held by the Bank from the Company (the "**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 the Security or otherwise in priority to any claim by the Bank 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, rent for any leased premises, and all amounts owing to any person having a lien, encumbrance, trust or charge ranking in priority to the Security.
35. Subject to the terms of this Agreement, the Company may not pay to the shareholders of the Company or any party related within the meaning of the *Business Corporations Act (Ontario)* ("**OBCA**") to the Company, or the shareholders thereof, any amount whether by way of salary outside of the ordinary course and as clearly set out in the Cash Flow Forecast, dividend, repayment of loans or otherwise without the Bank's prior written approval, which may be withheld by the Bank in its sole and unfettered discretion.
36. The Company acknowledges and agrees that any existing director or shareholder loans shall not be repaid by the Company and the Company shall not grant any loan to any officer or director of the Company or to any other related party (as defined in the OBCA).

37. Without limiting the Bank's right to exercise any of its rights and remedies at any time, the Company acknowledges and agrees that, upon the occurrence of the Forbearance Deadline, or a Forbearance Terminating Event (as defined below), the Company hereby irrevocably consents to the appointment of a receiver, receiver and manager or agent of the Bank's choosing of the assets, property and undertaking of the Company. The Company hereby agrees to fully co-operate with such receiver, receiver and manager or agent in the realization of the Security.
38. The Company irrevocably authorizes the Bank to debit periodically, or from time to time, any bank accounts they may maintain in order to pay all or part of the amounts they may owe to the Bank.
39. The Company represents, warrants, covenants and agrees that all business in the nature of or related to the business transacted by the Company prior to the date hereof shall continue to be transacted in the name of and for the account of the Company at the Bank. In particular, no such business or transaction shall be performed in the name of or recorded or applied for the benefit of any person, firm or corporation other than the Company. The Company acknowledges and agrees that the Company shall deposit all revenues, collections of accounts receivable and any other income generated by the Company only to the Company's accounts with the Bank, except as expressly waived in writing by the Bank and subject to any terms and conditions of such written waiver.
40. The Company confirms to and in favour of the Bank that all assets secured by the Bank security are in existence, in the possession and control of the Company and that there has been no sale, lease, transfer, relocation, abandonment or any other disposition of the assets of the Company out of the ordinary course of business or any encumbrance or impairment in any manner which would deteriorate from or adversely affect the value of same.
41. The Company acknowledges that the Bank has requested that the position of each unsecured creditor of the Company will not be adversely affected during the term of this Agreement, subject to the Company's usual business practices.
42. The Company shall maintain, at all times, insurance coverage on its personal and real property against loss or damage caused by fire and any other risk as is customarily maintained by companies carrying on a similar business.
43. The Company agrees to comply with all applicable environmental laws and regulations. The Company certifies that no environmental laws or regulations have been violated with respect to any of the Company's property and, to the best of its knowledge, no proceedings have or have been threatened to be instituted with respect to a breach of any environmental laws or regulations.
44. The Company shall indemnify the Bank for any damage which the Bank may suffer or any responsibility which they may incur as a result of non-compliance by the Company with any applicable environmental laws and regulations affecting the Company's assets or their business.

45. The Defaults are not waived by this agreement but specifically reserved and preserved. Subject to the provisions of this agreement, the Bank agrees not to take any further steps in enforcement of its rights and remedies against the Company prior to the Forbearance Deadline unless and until a further event of default occurs under the Credit Facility Agreement or one of the following events has occurred in respect of the Company (a "Forbearance Terminating Event"):
- (a) the Condition Precedent or Conditions Subsequent herein have not been satisfied by the times and dates specified herein, or any term of this agreement is not complied with by the Company;
 - (b) if the Company fails to make any payment when due to the Bank;
 - (c) any other creditor of the Company's exercises or purports to exercise any rights against any of the property, assets or undertaking of the Company or any creditor brings any proceeding or takes any other action under the BIA (other than those steps currently contemplated by the BIA Notice), the *Companies' Creditors Arrangement Act* (Canada), the *Business Corporations Act* of Ontario or Canada, the *Winding-Up Act* (Canada) or any similar legislation in any jurisdiction including under title 11 of the United States Code;
 - (d) if the Company ceases to carry on business in the ordinary course;
 - (e) if any steps are taken by the Company or a third party to wind up or dissolve, reorganize, or liquidate the Company without the prior written consent of the Bank;
 - (f) any representation or warranty made by the Company in connection with the execution and delivery of this agreement or in any of the security agreements held by the Bank shall prove to have been incorrect in any material respect at the time such representation or warranty was made;
 - (g) any default or failure by the Company to make any payment of wages or other monetary remuneration payable by the Company to its employees under the terms of any contract of employment, oral or written, express or implied (the "Payroll") or the failure by the Company to pay to the relevant governmental authority when due any of the priority payables exigible in respect of a Payroll;
 - (h) the sale, lease, transfer, relocation, abandonment or any other disposition of the assets of the Company out of the ordinary course of business, which are subject to the Bank's security without the express prior written consent of the Bank;
 - (i) if the Company's full cooperation and assistance is not provided to the Consultant, in carrying out its mandate on behalf of the Bank, which has not been remedied for at least 10 days following written notice setting out the particulars of the Company's failure to cooperate fully with or to assist the Consultant;
 - (j) if any of the representations or financial reporting information provided by the Company to the Bank proves to be false, misleading, inaccurate or incorrect in any

material respect at the time such representation or financial reporting information was made or delivered;

- (k) there has been, in the opinion of the Bank, acting reasonably, a material adverse change in the affairs of the Company or with respect to the security position of the Company after the date hereof or if any action which the Company may take only with the prior consent of the Bank is taken without such consent being previously obtained from the Bank after the date hereof;
- (l) if the Company breaches the Revised Payment Terms by making any principal payments, other than the Permitted Payments, to any other secured creditor at any time on or before March 31, 2018 without the prior written consent of the Bank;
- (m) if the Company fails to provide the Bank the reporting or other information specified herein or as required from time to time; and
- (n) if there has been, in the opinion of the Bank, acting reasonably, a material departure from the Cash Flow Forecast which has continued for a period of five consecutive business days.

46. Upon the earlier of:

- (a) the Forbearance Deadline, or
- (b) the occurrence of a Forbearance Terminating Event,

the Bank may take steps to enforce all of its rights and remedies against the Company including, without limitation, issuing a demand for payment, any relevant statutory notices of intention to enforce, and enforcing the security held by the Bank from the Company.

- 47. The Company hereby irrevocably agrees, upon request by the Bank, to duly execute or deliver or cause to be executed or delivered to the Bank such further instruments, agreements or similar documents or do or cause to be done such further acts as may be necessary or desirable in the opinion of the Bank, acting reasonably, to carry out the provisions and purposes of this agreement or the Credit Facility Agreement.
- 48. The Bank's forbearance from enforcing its rights and remedies against the Company and the other accommodations described herein are in the sole discretion of the Bank and may be terminated upon the occurrence of a Forbearance Terminating Event without requiring any forbearance or delay on the part of the Bank. The Bank shall provide notice to the Company that a Forbearance Terminating Event has occurred causing the forbearance to be at an end.
- 49. All terms and conditions of the Credit Facilities and any other security delivered by the Company to the Bank shall continue in full force and effect save and except as stated to be specifically amended by this agreement.

50. The Company covenants to and in favour of the Bank and agree that, except as permitted herein, they will not grant any further security on any of their property, assets or undertaking without the written consent of the Bank, which may be withheld by the Bank in its sole and unfettered discretion.
51. The Company acknowledges and agrees that there shall be no change of ownership or control of the Company, as such term is defined within the meaning of the (Ontario) *Business Corporations Act*, without the Bank's prior written consent, which consent may be withheld in the Bank's sole and unfettered discretion.
52. The Company shall not loan funds, make equity investments or provide financial assistance to a third party by way of a guarantee, surety, or otherwise until such time as the Company's indebtedness to the Bank has been permanently repaid.
53. The Company shall not amalgamate with another corporation, purchase or redeem their shares or otherwise reduce their capital until such time as the Borrower's indebtedness to the Bank has been permanently repaid.
54. Time shall be of the essence of this agreement and this agreement shall be governed by the laws of the Province of Ontario.
55. This agreement may be executed in counterparts, which counterparts taken together shall evidence an agreement as of the date first set out above.
56. The Company hereby acknowledges and agrees that the Bank may apply any amounts outstanding to the credit of the Company as a set-off or in combination of the indebtedness of the Company to the Bank. The application of any such funds shall be as the Bank may determine.
57. The Company hereby covenants and agrees that the Bank shall be an unaffected creditor in any insolvency proceeding involving the Company pursuant to *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* or similar legislation.
58. The Company agrees that all acknowledgements provided in this agreement are effective notwithstanding the provisions of the *Limitations Act, 2002*.
59. The Company agrees to pay all actual present and future Consultant, Appraiser, legal and agent fees and disbursements incurred by the Bank in respect of or in any way related to the Company including, without limitation, the Bank's reasonable legal fees in connection with the preparation and enforcement of this agreement. In the event that such fees remain outstanding, the Company hereby agrees that such amounts shall form part of the indebtedness of the Company to the Bank and shall be secured by the security granted in respect thereto. The Company specifically waives any and all rights that they may have to assess any of the reasonable Consultant, Appraiser, legal or agent fees previously paid and disclosed to the Company, by the Bank to its solicitors or payable to its solicitors or agents in connection with or in any way related to the Company and whether such right of assessment arises pursuant to the *Solicitors Act* (Ontario) or under any other law or statute. The Company specifically authorizes the Bank to debit from the Company's current

accounts with the Bank the amount of any such Consultant, Appraiser, legal and agent fees and disbursements in the event they are not paid directly by the Company. The application of any such debits shall be as the Bank may determine.

Yours truly,

HSBC BANK CANADA

Per: 


ANDREW O'COIN
Assistant Vice President

Per: 

Cheryl Lee
Senior Manager

AGREED TO this 14th day of March, 2018.

SAFETY SEAL PLASTICS INC.

Per: 

Name: Masroor Masood

Title: President

I have the authority to bind this corporation.

BEDROSIAN HOLDINGS INC.


Per: 

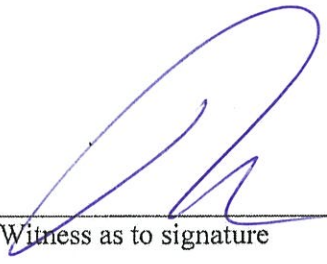
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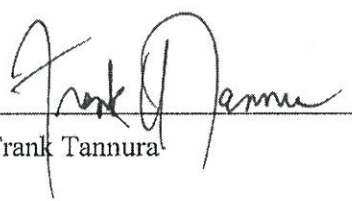
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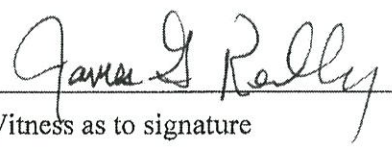
I have the authority to bind this corporation

THE PERSONAL GUARANTORS


Michael Bedrosian


Witness as to signature


Frank Tannura


Witness as to signature

Schedule "A"

Statement of Indebtedness

SAFETY SEAL PLASTICS INC.

Indebtedness as at:

05-Mar-18

Facility	Account #	Currency	Principal	Interest	Tax	Total
Overdraft	182-154254-001	CAD	2,234,071.14	1,149.40	-	2,235,220.54
Demand Loan	182-154254-600	CAD	2,300,000.00	1,184.66	-	2,301,184.66
Mastercard - 3 Cards	Various	CAD	45,408.79	-	-	45,408.79
Total		CAD	4,579,479.93	2,334.06		4,581,813.99
Leasing Facility	A05293	USD	78,868.08	-	10,252.85	89,120.91
Total		USD	78,868.08		10,252.85	89,120.91

Schedule "B"

Safety Seal Plastics Inc.										
Cash Flow Forecast										
Week ending	2/2/18	9/2/18	16/2/18	1	2	3	4	5	6	6 Weeks
				23/2/18	2/3/18	9/3/18	16/3/18	23/3/18	30/3/18	Total
Cash Inflow										
Existing Receivables	16,374	165,928	294,927	238,656	243,630	196,869	48,020	45,927	58,707	831,809
Projected sales					25,000	45,000	70,000	95,000	120,000	355,000
HST Return									185,082	185,082
Total Cash Inflow	16,374	165,928	294,927	238,656	268,630	241,869	118,020	140,927	363,789	1,371,891
Cash outflows										
Film purchases	(8,083)	-	-	(25,457)	(31,250)	(31,250)	(44,782)	(31,250)	(31,250)	(195,239)
New material purchases										
Ink purchases	(24,418)	(10,000)	(14,550)	(37,583)	(32,583)	(32,583)	(32,583)	(25,000)	(25,000)	(185,333)
Professional fees					(5,000)		(15,000)		(50,000)	(70,000)
Gene / Rob					(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(50,000)
Disbursements Misc vendors	(70,960)	(154,363)	(21,631)	(56,081)	(153,433)	(70,636)	(58,338)	(61,748)	(89,690)	(489,927)
Total AP Disbursements	(103,461)	(164,363)	(36,180)	(119,122)	(232,266)	(144,469)	(160,704)	(127,998)	(205,940)	(990,499)
Interest	(19,991)				(19,991)					(19,991)
Rent	(23,156)		(11,182)		(23,156)		(11,182)			(34,338)
Utilities		(21,392)			(21,796)					(21,796)
Payroll		-	(87,740)	-	(94,405)	-	(94,405)	-	(94,405)	(289,215)
Loan Payments	(3,609)	(630)	(5,222)	(3,609)	(21,578)	(630)	(8,585)	(23,568)	(3,608)	(61,578)
	(150,218)	(186,385)	(140,324)	(122,731)	(413,192)	(145,099)	(274,876)	(151,566)	(303,953)	(1,411,417)
Net Inflow / (Outflow)	(133,844)	(20,457)	154,603	115,926	(144,562)	96,770	(156,856)	(10,639)	59,836	(39,526)
Line of credit										
Begning balance	(2,458,610)	(2,503,457)	(2,496,680)	(2,401,616)	(2,231,141)	(2,375,704)	(2,278,934)	(2,435,790)	(2,446,429)	(2,401,616)
Net cashflows	(133,844)	(20,457)	154,603	115,926	(144,562)	96,770	(156,856)	(10,639)	59,836	(39,526)
Timing of checks clearing	88,936	27,234	(59,538)	54,549						
Closing Bank Balance	(2,503,457)	(2,496,680)	(2,401,616)	(2,231,141)	(2,375,704)	(2,278,934)	(2,435,790)	(2,446,429)	(2,386,593)	(2,441,142)

Schedule "C"
FORBEARANCE AGREEMENT

This Forbearance Agreement, dated as of February 16, 2018 (the "Agreement"), by and between Hewlett-Packard Financial Services Canada Company ("HPFS") and Safety Seal Plastics Inc. ("Lessee"), sets forth the terms upon which HPFS is willing to forbear from enforcement of its rights under the Enterprise Business Lease Agreement No. 5399075148000001, dated July 12, 2017, by and between HPFS, as lessor, and Lessee, as lessee (along with Schedule A and all other documents associated therewith or incorporated by reference thereunder, the "Lease"). Capitalized terms used in this Agreement without definition have the meanings specified in the Lease.

In consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, it is hereby agreed as follows:

The Lessee acknowledges the following:

1. The Lessee has failed to comply with the terms of the Lease and is currently in default of its obligations owed to HPFS under the Lease, including without limitation the failure to pay rent and other amounts payable to HPFS under the Lease and Schedule A within 10 days after receipt of notice from HPFS (the "Existing Defaults").
2. As of the date of this Agreement, the Lessee is indebted to HPFS in the amount of \$330,648.95 (the "Indebtedness").
3. Interest has accrued and continues to accrue on the Indebtedness at the rate of 18% per annum, pursuant to the Lease.
4. The Lessee remains liable for its continuing obligations to make monthly lease payments and to perform its other covenants under the Lease, subject to the terms of this Agreement.
5. The Lease is the valid, binding obligation of the Lessee, enforceable against the Lessee in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforceability generally of the rights of creditors or lessors.
6. The Lessee has received written demand to pay the accelerated balance owing under the Lease in the amount of \$2,021,112.50 on or before January 19, 2018.
7. The Lessee does not dispute its liability to pay the Indebtedness, plus all accrued and accruing interest, on any basis whatsoever, and acknowledges and agrees that it has no claims for set off, counterclaim or damages on any basis whatsoever against HPFS or any of its affiliates, directors, officers, employees, representatives or agents.
8. The Lease has not been discharged, varied or waived, and is binding and enforceable, and this Agreement is not a waiver by HPFS of any of its rights under the Lease, at law or in equity.

9. The Lessee has received independent legal advice with respect to this Agreement, and has agreed to its terms willingly.

The acknowledgements described in Sections 1 through 9 of this Agreement are referred to as the "Acknowledgments".

10. Subject to the terms of this Agreement, the rent payments due under the Lease are hereby modified and amended as follows:
- \$10,000 shall be due upon Lessee's signing of this Agreement.
 - \$5,000 shall be due on or before the Friday of each subsequent week up until March 30, 2018.
 - Thereafter, lease payments under the Lease shall be due as set forth on Schedule A to the Lease. HPFS and Lessee will attempt to negotiate in good faith a restructured lease payment schedule after March 2018, provided that such negotiations shall in no way extend HPFS' agreement with respect to the Forbearance (defined below) beyond the termination or expiration thereof, unless otherwise agreed to in writing by the parties.

The payments described in Section 10 of this Agreement are referred to as the "Restructured Rent Payments".

The Lessee agrees and covenants with HPFS as follows:

11. The Lessee agrees that the Acknowledgments are true and accurate.
12. The Lessee agrees to make the Restructured Rent Payments to HPFS, to be credited against the indebtedness.
13. The Restructured Rent Payments shall be made in United States currency paid by wire on or before the due date of such Restructured Rent Payments indicated above as follows:

Account Name: HEWLETT-PACKARD FINANCIAL SVCS CDA CO.
Account Number: 43259100
Currency: USD

Bank address:
Bank of America N.A, Canada Branch
200 Front Street West, Ste 2600
Toronto, ON M5V 3L2

Bank number: 241
Transit number: 56792
Routing Transit for ACH debits and credits: 024156792
SWIFT Code for Wires: BOFACATT

14. The Lessee reaffirms all covenants, representations and warranties made to HPFS under the Lease, and agrees to comply with all terms and conditions of the Lease, other than the payment terms that are specifically modified by the Restructured Rent Payments set out in Section 10 above.
15. The Lessee shall continue to carry on its businesses in its ordinary course, and shall promptly advise HPFS of any material adverse change in either of its business or financial circumstances.
16. Other than the Existing Defaults, there is and shall be no other default under the Lease.

The covenants made in Sections 11 through 16 of this Agreement are referred to as the "Covenants".

Subject to, and in consideration of, the Covenants, HPFS agrees to temporarily forbear from taking any steps to enforce its rights or remedies under the Lease, until close of business April 2, 2018 (the "Forbearance").

However, notwithstanding the Forbearance, HPFS' agreement to forbear from enforcing its rights and remedies will cease upon any of the following events occurring:

- (a) If there is any breach of the Covenants, at HPFS' sole reasonable determination;
- (b) If any of the Acknowledgments are determined by HPFS not to be true and accurate, at HPFS' sole reasonable determination;
- (c) If HPFS, on reasonable grounds, believes the Equipment is at risk of being lost, damaged, or its value impaired, or seized or attached by any person, firm, corporation, or federal, provincial or municipal authority pursuant to any legal process; or
- (d) Close of business, April 2, 2018.

The Lessee agrees that if HPFS' agreement to forbear from enforcing its rights and remedies ceases pursuant to this Agreement, HPFS shall be entitled to enforce its rights and remedies as set out in the Lease, at law or in equity.

The parties agree that HPFS will not be obligated in any way to provide any further financial facilities the Lessee pursuant to this Agreement or otherwise, and the Lessee acknowledges that time is of the essence of this Agreement.


Please sign this Agreement below to indicate Lessee's acknowledgment and acceptance of the Acknowledgments, Covenants and other terms and conditions set out in this Agreement and return to HPFS no later than Friday, February 16, 2018. If this executed document is not received by HPFS by this date, this Agreement shall be null and void, and all terms of the Lease shall be enforceable by HPFS.



IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT AS OF THE DATE SPECIFIED ABOVE.

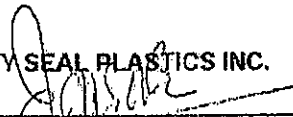
HEWLETT-PACKARD FINANCIAL SERVICES CANADA COMPANY

Per:


Name: Name Gary Seligman
Title: Title Director - Risk Management
I/We have the authority to bind the corporation

SAFETY SEAL PLASTICS INC.

Per:


Name: Name Masrooy Masood
Title: Title Financial Controller
I/We have the authority to bind the corporation