

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

Estate Number: 33-2618511
Court File No.: 33-2618511

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF EUREKA 93 INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO**

Estate Number: 33-2618512
Court File No.: 33-2618512

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF LIVEWELL FOODS CANADA INC. OF THE CITY OF OTTAWA IN THE
PROVINCE OF ONTARIO**

Estate Number: 33-2618510
Court File No.: 33-2618510

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF ARTIVA INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO**

Estate Number: 33-2618513
Court File No.: 33-2618513

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF VITALITY CBD NATURAL HEALTH PRODUCTS INC. OF THE CITY OF
OTTAWA IN THE PROVINCE OF ONTARIO**

REPLY MOTION RECORD

Date: 2 March 2020

GOWLING WLG (CANADA) LLP
Barristers & Solicitors
1 First Canadian Place, Suite 1600
100 King Street West
Toronto, ON M5X 1G5

E. PATRICK SHEA (LSUC No. 39655K)
Tel: (416) 369-7399 / Fax: (416) 862-7661
Email: patrick.shea@gowlingwlg.com

BENOIT M. DUCHESNE (LSO # 44922I)
Tel: (613) 786-0142 / Fax: (613) 788-3637
Email: benoit.duchesne@gowlingwlg.com

Lawyers for the Debtors

TO: THE ATTACHED SERVICE LIST

SERVICE LIST

TO:	GOWLING WLG (CANADA) LLP 1 First Canadian Place 100 King Street West, Suite 1600 Toronto ON M5X 1G5 E. Patrick Shea Tel: (416) 369-7399 Fax: (416) 862-7661 Email: patrick.shea@gowlingwlg.com <i>Solicitors for the Debtors</i>
AND TO:	DELOITTE RESTRUCTURING INC. 8 Adelaide Street West, Suite 200, Toronto, ON M5H 0A9 Attention: Hartley Bricks Tel: (416) 775-7326 Fax: (416) 601-6690 Email: hbricks@deloitte.ca
AND TO:	BLANEY MCMURTRY LLP 2 Queen Street East, Suite 1500 Toronto, Ontario M5C 3G5 Attention: Eric Golden Tel: (416) 593-3927 Fax: (416) 596-2049 Email: egolden@blaney.com <i>Counsel to Deloitte</i>
AND TO:	FAMILY LENDING INC. / AGRIROOTS CAPITAL MANAGEMENT INC. 136 St. Clair St. Chatham, Ontario N7L3J3 Attention: Robb Nelson and/or Shawn Bustin Tel: (519) 351-5650 Fax: (866) 405-3889 Email: robb@ArgiRoots.ca Email: shawn@ArgriRoots.ca
AND TO:	PERLEY-ROBERTSON HILL & MCDOUGALL LLC 1400-340 Albert St Ottawa, ON K1R 0A5

AND TO:	LAMARCHE ELECTRIC INC. 9374 County Road 17 Rockland, Ontario K4K 1K9
AND TO:	PALADIN TECHNOLOGIES INC. 29 Antares Dr #201 Nepean, ON K2E 7V2
AND TO:	OLYMPIA TRUST COMPANY PO Box 2581, STN Central Calgary, AB T2P 1C8
AND TO:	DOMINION CAPITAL LLC 256 West 38 th St, 15 th Floor New York, NY 10018
AND TO:	INTERNATIONAL PROCESS PLANTS AND EQUIPMENT CORP 410 Princeton-Hightstown Rd Princeton Junction, NJ 08550
AND TO:	ATTORNEY GENERAL OF CANADA Department of Justice Canada Ontario Regional Office – Tax Law Section The Exchange Tower 130 King Street West, Suite 3400 Box 36 Toronto, ON M5X 1K6 Attention: Diane Winters Tel: (416) 973-3172 Fax: (416) 973-0809 Email: diane.winters@justice.gc.ca

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TAB 1

**ONTARIO
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**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF VITALITY CBD NATURAL HEALTH PRODUCTS INC. OF THE CITY OF
OTTAWA IN THE PROVINCE OF ONTARIO**

**AFFIDAVIT OF ROBB NELSON
(sworn 2nd March 2020)**

**I, ROBB NELSON, of the City of Chatham, in the Province of Ontario, MAKE OATH
AND SAY:**

- I am the CEO of FamilyLending Inc. and AgriRoots Capital Management Inc. (the "FamilyLending Group"). The FamilyLending Group represents both the exiting first-ranking secured creditor (the "First Secured Creditor") of Artiva Inc. ("Artiva") as well as the lenders (the "Interim Lender") under the \$2.3 million loan that, subject to obtaining

the approval of the Court, will be advanced to the Debtors. The primary security for the Interim Financing will be a priority charge over certain land and buildings in Ottawa owned by Artiva (the "**Ottawa Facility**").

2. Dominion Capital did not seek the consent of the First Secured Creditor to register its charge/mortgage against the Ottawa Facility. Dominion Capital LLC ("**Dominion Capital**") has registered a charge/mortgage that ranks subordinate to the First Secured Creditor. Dominion Capital did not ask the First Secured Creditor to enter into an inter-creditor or other agreement and, to the best of my knowledge, there is no such agreement between the First Secured Creditor and Dominion Capital.
3. I understand that Dominion Capital is opposed to the Debtors efforts to restructure and would like to see the Debtors to become bankrupt and the Debtors' assets sold to pay creditors. I am providing this Affidavit to confirm:
 - (a) Opposition to the bankruptcy and liquidation of the Debtors;
 - (b) Support for the proceedings initiated by the Debtors under the Bankruptcy and Insolvency Act (the "**Proposal Proceedings**");
 - (c) Support for the relief being sought by the Debtors on the Motion that is returnable in Ottawa on 4 March 2020;
 - (d) Support for the Debtors' management and the plan that the Debtors' management has developed for the go-forward business of Artiva; and

- (e) My view that the \$2.3 million loan that will be advanced to the Debtors will enhance the prospects of the Debtors being able to reorganize for the benefit of creditors by allowing Artiva to commence operations at its facility in Ottawa and increase the value of Artiva.
4. The FamilyLending Group specializes in providing funding to borrowers in the agricultural sector and I have a great deal of experience assisting both borrowers and lenders in the agricultural sector. I have been involved with Artiva since it purchased the Ottawa Facility as a farm in 2017. I have been working with Seann Poli, the CEO of Eureka 93 Inc., and the Debtors to address their current financial situation since the end of September of 2019. I have had the full co-operation of Mr. Poli and have had input into the plan that been developed for the Ottawa Facility. I have confidence in the plan that Mr. Poli has developed to reorganize the Debtors and believe, based on my experience and knowledge, that it will generate greater value for stakeholders, including Dominion Capital, than a liquidation.
5. I have spoken to Phillip Gross of Dominion Capital multiple times, mostly recently in the afternoon of 25 February 2020. I have confirmed to Mr. Gross my view that the Proposal Proceedings are in the best interest of all stakeholders and that the Debtors' management has the support of the First Secured Creditor. I have also advised Mr. Gross of my view, based on my experience and knowledge of Artiva's assets business, that completing and commencing operations at the Ottawa Facility will result in an increase in the value of Artiva that exceeds the \$2.3 million being advanced and is beneficial to all of the Debtors' stakeholders. I have also advised Mr. Gross of my view that in a liquidation, it is unlikely that Dominion Capital will receive much, if anything, in the way of recovery.

6. I have advised Mr. Gross at least once that if Dominion Capital wishes to take a different view on the future of the Debtors than the First Secured Creditor, Dominion Capital should pay out the First Secured Creditor. Mr. Gross has advised that Dominion Capital has no interest in paying out the First Secured Creditor or advancing more money to the Debtors.
7. I have reviewed Mr. Gross's Affidavit sworn 28 February 2020 (the "**Gross Affidavit**") and note as follows:
 - (a) The assertion in paragraphs 27 and 36 of the Gross Affidavit to the effect that I agreed that the First Secured Creditor would not proceed down a path that was not supported by Dominion Capital are untrue. I believe that I was clear with Mr. Gross that the First Secured Creditor would be acting in a manner that would maximize the value of the Ottawa Facility and supported the Proposal Proceedings.
 - (b) The assertion in paragraph 36 of the Gross Affidavit to the effect that the First Secured Creditor and the Interim Lender are related is untrue. The members of each group are clients of the Family Lending Group, and there is one person that is a First Secured Creditor and that will be an Interim Lender, but the two groups are not related to each other.
8. Mr. Gross has never explained to me what steps, if any, Dominion Capital will take to maximize or even preserve the value of the Ottawa Facility. I note that Mr. Gross asserts at paragraph 4 of his Affidavit simply that Dominion Capital intends to bring a receivership application "forthwith" if the Debtors become bankrupt. Mr. Gross appears to forget that Dominion Capital is not the first-ranking secured creditor with respect to the Ottawa Facility and that any enforcement proceedings with respect to the Ottawa facility will be

under the control of the First Secured Creditor. Based on my experience, if a receiver is appointed over the Ottawa Property significant cost will have to be incurred/borrowed by the receiver to ready the Ottawa Facility for sale, and to insure, heat, secure, maintain and sell the Ottawa Property until it is sold. In a receivership, these expenses will be funded in priority to Dominion Capital. I am also concerned that in a receivership the Ottawa Facility will not realize the value at which it has been appraised as a licensed cannabis facility.

SWORN BEFORE ME at the City of
Chatham, in the Province of Ontario,
this 2nd day of March 2020.

Maria P. Frias
Commissioner for taking Affidavits

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)
)
)
)
)
)
)
Robb Nelson
ROBB NELSON

TOR_LAW 102277801

Maria Pacheco Frias, a Commissioner,
etc., Province of Ontario, for
Hinnegan Law Professional Corporation.
Expires November 28, 2021

Estate Number/Court File No.: 33-2618511

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF EUREKA 93 INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

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ONTARIO

**SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

(PROCEEDING COMMENCED AT OTTAWA)

**AFFIDAVIT OF ROBB NELSON
(sworn 2nd March 2020)**

GOWLING WLG (CANADA) LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, ON M5X 1G5

E. Patrick Shea (LSUC No. 39655K)
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Email: patrick.shea@gowlingwlg.com

Benoit M. Duchesne (LSO # 44922I)
Tel: (613) 786-0142 / Fax: (613) 788-3637
Email: benoit.duchesne@gowlingwlg.com

Lawyers for the Debtors

TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
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REPLY AFFIDAVIT OF SEANN POLI
 (sworn 2 March 2020)

I, SEANN POLI, of the City of Ottawa, in the Province of Ontario, **MAKE OATH AND
 SAY:**

1. I am a director of Eureka 93 Inc. ("Eureka 93"), LiveWell Foods Canada Inc. ("LiveWell"), Artiva Inc. ("Artiva") and Vitality CBD Natural Health Products Inc. ("Vitality" and, together with Eureka 93, LiveWell and Artiva, the "Debtors"). I have personal knowledge of the matters herein deposed, save and except where I rely on

information provided to me by others or from my review of documentation, in which cases I provide the source of that information and believe it to be true.

2. I am swearing this Affidavit to rely to the Affidavit of Philip Gross sworn 28 February 2020.
3. While Mr. Gross attaches as Exhibits to his Affidavit certain of the agreements with the Eureka Group with respect to the convertible notes (the "Notes") that are the basis for Dominion Capital's claim against the Debtors, Mr. Gross has not attached: (a) the charge registered by Dominion Capital over the Ottawa Facility; or (b) the agreement(s) reached between Dominion Capital and Eureka 93 (the "**September DC Agreement**") pursuant to which Eureka 93 agreed to release USD\$3.6 million in proceeds from the Notes back to Dominion Capital.
4. I have been unable to locate a copy of the September DC Agreement and, through counsel, requested that Dominion Capital provide a copy. Without a copy of the September DC Agreement it is not possible to know on what terms Eureka 93 agreed to release the USD\$3.6 million. I wish to note that Dominion Capital has, to date, not repaid to Eureka 93 that USD\$360K in commission over-payment that resulted from the release of the USD\$3.6 million.
5. A true copy of the charge/mortgage that Dominion Capital has registered against the Ottawa Facility is attached as **Exhibit [A]**. A true copy of the first charge/mortgage registered against the Ottawa facility is attached as **Exhibit [B]**.

6. In paragraph 8 of his Affidavit, Mr. Gross asserts that the Eureka Group has been unable or unwilling to provide an “even a satisfactory” accounting of how, or where, the proceeds from the Notes was spent. I believe that Mr. Gross is making an incorrect assertion for the purpose of establishing a foundation for Dominion Capital’s objection to the Proposal Proceedings.
7. In or about the end of December of 2019, Mr. Gross requested a summary of how the proceeds from the Notes was spent by Eureka 93. In an e-mail sent on or about 30 December 2019, Mr. Gross asked: Can you run the quick books on this and identify the allocation? On or about 6 January 2020, Mr. Gross was provided by Peter Ostapchuk with an analysis of how the proceeds received from the Notes was spent:

Hi Philip,

Thank you for your note, and I appreciate the reference to the agreements for sharing such financial information.

The former Controller undertook an analysis of the sources and uses of the hedge fund financing, as well as the wire transfers to Vitality LLC from Eureka93.

I have attached the 3 files for your information - and this has also been shared with the Board for their information as well.

There are a set of analyses used to determine how the direct hedge funds were used, and then a cross reference for intracompany transfers using wire transfers to Vitality LLC from Eureka.

- *an executive summary of the intercompany that shows \$9.25M USD was transferred to the Vitality group.*
- *a review of the payments from net hedge funds proceeds of \$11.4M USD shows that AFTER AGP Fees, Other Fin Fees, and Interest (being a net proceeds of \$8.894M USD), Vitality received directly \$5.028M USD or 57%*

The files show the transfers to Vitality Canada and Vitality LLC.

Seann and I are available to discuss with you as needed, although the sources and uses of such funds is quite clear.

8. A true copy of the analysis that was provided to Mr. Gross is attached as **Exhibit [C]**.
9. It was my belief that Mr. Gross was satisfied with this analysis that Mr. Ostapchuk provided. To the best of my knowledge, Mr. Gross: (a) expressed no concern(s) with the analysis that was provided; (b) asked no follow-up questions of me or Mr. Ostapchuk; and (c) did not ask for further details with respect to the use of the proceeds from the Notes.
10. Mr. Gross asserts that the Ottawa Facility is incomplete, not yet operational and inoperable. I believe that Mr. Gross is attempting to establish a foundation for Dominion Capital's objection to the Proposal Proceedings. Artiva only received its license, a true copy of which is attached as **Exhibit [D]**, on or about 20 September 2019. Prior to that date, Artiva was not permitted to cultivate at the Ottawa Facility. Had Eureka 93 not released the USD\$3.6 million to Dominion Capital in or about September of 2019, the Ottawa Facility would have been completed by November of 2019. I note that Mr. Gross came to Canada to tour the Ottawa Facility on or about 29 October 2019. In our conversations subsequent to October of 2019, Mr. Gross did not express any concern with respect to the state of the Ottawa Facility or the work that was required to begin production.
11. In paragraph 16, Mr. Gross asserts that I was part of the "past management" of the Eureka 93 Group and in paragraph 17 he asserts that I had a role with the Eureka 93 Group while the Eureka 93 Group was "being so badly mismanaged". I am not sure the Eureka 93 Group was "so badly mismanaged" throughout its lifecycle. I was CEO when what is now Eureka 93 was founded and when Artiva acquired the Ottawa Facility. My active involvement in day-to-day management of what is now Eureka 93 ended in or about October of 2018. I

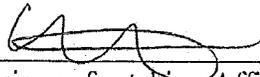
remained a director during this period, but as not involved in the day-to-day spending decision. I ceased to be a director of Eureka 93 in April of 2019.

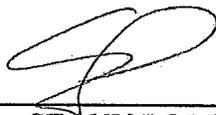
12. In paragraphs 24 and 25, Mr. Gross confirms that Dominion Capital was “eager and willing” and “eager and happy” to work with the Debtors. At no time, however, did Mr. Gross ever require a “substantive and developed business plan” as a condition to Dominion Capital co-operating with the Debtors. I do not dispute that Dominion Capital wanted to see the Debtors’ business plan/cash flow projections when they were completed. At no time, however, did Mr. Gross express any interest in being involved with or vetting the Debtors’ business plan or cash flow projections. I, frankly, would have welcomed Dominion Capital’s input, but Mr. Gross did not appear interested in providing any input.
13. In preparing for the Proposal Proceedings, I worked with Robb Nelson of Family Lending Inc. and AgriRoots Capital Management Inc. Mr. Nelson represents both the lenders under the first-ranking charge/mortgage registered against the Ottawa Facility and the Interim Lender. It is a condition of the Interim Financing that the Interim Lender approve of the Debtors’ cash flow and capital expenditure plan. Mr. Nelson commented on and had input the Debtors’ business plan as reflected in the cash flow projection and capital expenditure plan that are attached to the Commitment, and that were provided to Dominion Capital on 20 February 2020.
14. In paragraph 32 of his Affidavit, Mr. Gross expresses doubt that Artiva will be able to address the first-ranking charge/mortgage registered against the Ottawa Facility. I am already in negotiations with Mr. Nelson to extend the first-ranking charge/mortgage fully expect that, if the Proposal Proceedings continue, I will have an agreement in that regard

in short order. Any ability to secure an extension of the first-ranking charge/mortgage is, of course, conditional on the Interim Financing being approved.

15. In paragraph 42 of his Affidavit, Mr. Gross makes serious allegations of self-dealing and bad faith on the part of the Eureka 93 Group. Mr. Gross does not, however, provide any specifics of these allegations of self-dealing and bad faith. I am, as a result, unable to address these allegations. I was not, however, involved in any self-dealing transactions. To the extent there were self-dealing transactions that should be reviewed or challenged, this can be done in the Proposal Proceedings and I would encourage Mr. Gross to provide whatever information that he was with respect to such transactions.

16. Mr. Gross asserts that Dominion Capital as "lost confidence" in the Debtors' management. I believe that Mr. Gross is making this assertion for the purpose of establishing a foundation for Dominion Capital's objection to the Proposal Proceedings. I am not certain when that "loss of confidence" took place. My most recent conversation with Mr. Gross was on or about 13 February 2020 and during that conversation there was no indication that Dominion Capital had lost confidence in the Debtors' management.

SWORN BEFORE ME at the City of)
Ottawa, in the Province of Ontario,)
this 2 day of March 2020.)
)
)
)
_____)
Commissioner for taking Affidavits)
LSO # : 76748M)



SEANN POLI

TAB A

THIS IS EXHIBIT "A" TO THE AFFIDAVIT OF
SEANN POLI, SWORN BEFORE ME ON
MARCH 7, 2020


A COMMISSIONER FOR TAKING OATHS

L 90#76748M

LRO # 4 Charge/Mortgage
 The applicant(s) hereby applies to the Land Registrar.

Registered as OC2085148 on 2019 03 18 at 16:48
 yyyy mm dd Page 1 of 20

Properties

PIN 04326 - 0887 LT *Interest/Estate* Fee Simple
Description PART LOT 27, CON 8RF GLOUCESTER AS IN N864829 AND N670668; S/T GL59248
 AMENDED BY GL63494 ; S/T GL59249 AS AMENDED BY GL63494; GLOUCESTER;;
 CITY OF OTTAWA
Address 5208 RAMSAYVILLE ROAD
 GLOUCESTER

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name ARTIVA INC.
Address for Service 340 Albert Street
 Suite #1400
 Ottawa, Ontario
 K1R 0A6

I, Steven Archambault, Chief Financial Officer, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s) *Capacity* *Share*

Name DOMINION CAPITAL LLC
Address for Service 268 West 38th Street
 15th Floor
 New York, NY 10018

Statements

Schedule: See Schedules

Provisions

Principal \$48,000,000.00 *Currency* CDN
Calculation Period See Schedule Attached
Balance Due Date DUE ON DEMAND
Interest Rate See Schedule Attached
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full Insurable value
Guarantor

Additional Provisions

See Schedule Attached.

Signed By

Rina Christina VanKooten	77 King Street West, Suite 400 Toronto M5K 0A1	acting for Chargor(s)	First Signed	2019 03 18
Tel 416-863-4511				
Fax 416-863-4592				
Rina Christina VanKooten	77 King Street West, Suite 400 Toronto M5K 0A1	acting for Chargor(s)	Last Signed	2019 04 01
Tel 416-863-4511				
Fax 416-863-4592				

I have the authority to sign and register the document on behalf of the Chargor(s).

Execution Copy

DEBENTURE

NOTICE: THIS DEBENTURE CONTAINS PROHIBITIONS AGAINST THE CREATION OF MORTGAGES, LIENS, SECURITY INTERESTS OR ENCUMBRANCES AGAINST THE PROPERTY, ASSETS AND UNDERTAKING OF THE DEBTOR CHARGED HEREIN.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor hereby agrees with the Agent as follows:

1. **Defined Terms**

Unless otherwise defined, terms used in this Debenture as defined terms shall have the respective meanings ascribed thereto in the Guarantee (as hereinafter defined). In addition, the following terms shall have the respective meanings set forth below:

"Acceleration Date" means the date of the Issuance by the Agent of a demand for payment of the Obligations;

"Agent" means Dominion Capital LLC, in its capacity as collateral agent for the Purchasers and Noteholders (as such terms are defined herein), and its successors and assigns in such capacity;

"Collateral" means all property, assets and undertaking of the Debtor granted, mortgaged, charged, transferred, assigned or subjected to a security interest by this Debenture, including the Lands, Inventory, Equipment, Accounts, Intangibles, Documents of Title, Chattel Paper, Instruments, Money, Securities, Documents, Undertaking and Proceeds (as such terms are defined herein); and any reference in this Debenture to Collateral shall mean Collateral or any part thereof, unless the context otherwise requires;

"Companies" means LiveWell Canada Inc. and Vitality CBD Natural Health Products Inc.;

"Debenture" means this debenture as it may be amended, supplemented, replaced or restated from time to time;

"Debtor" means Artiva Inc., and its successors and assigns;

"Guarantee" means the guaranty of obligations dated as of February 14, 2019, entered into by, *inter alios*, the Debtor in favour of the Agent which, *inter alia*, guarantees the obligations of the Companies under the Securities Purchase Agreement (as hereinafter defined);

"Lands" means all freehold and leasehold lands now or hereafter owned or acquired by the Debtor, including without limitation the freehold lands described in Schedule "A" hereto, as such schedule may be amended, supplemented, replaced or restated from time to time, including all estate or interest of the Debtor therein, and for greater certainty including all present and after-acquired buildings, plant, machinery and improvements located thereon or affixed thereto (to the extent of the Debtor's interest therein); including without limitation all fences, underground facilities, heating, plumbing, antennae, signage, elevators, escalators,

2.

radiators, air-conditioning, ventilating, fire alarm and protective systems, lighting and lighting fixtures, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows and doors, window and door screens, shutters and awnings; and all other apparatus and equipment appurtenant thereto, and all other fixtures, accessions and accretions of any kind or nature (to the extent of the Debtor's interest therein), except fixtures and equipment owned and installed by tenants or other occupiers of space to the extent that such tenants or occupiers have the right to remove such fixtures and equipment;

"Noteholders" shall have the meaning ascribed thereto in the Guarantee;

"Obligations" means all present and future, direct and indirect, contingent and absolute indebtedness, obligations and liabilities of the Debtor to the Agent, the Purchasers and the Noteholders from time to time, specifically including for greater certainty all such obligations arising under or in connection with the Guarantee (including the Guaranteed Obligations), this Debenture and any other security agreements and other documents granted by the Debtor to the Agent, the Purchasers and/or the Noteholders from time to time;

"Permitted Liens" means any and all liens, charges, mortgages, security interests, hypothecs and other encumbrances which affect all or any portion of the Collateral and which have been permitted or consented to in writing by the Agent, including any such liens, charges, mortgages, security interests and encumbrances the particulars of which are listed in Schedule "B" hereto;

"Purchasers" shall have the meaning ascribed thereto in the Guarantee;

"Securities Purchase Agreement" means the securities purchase agreement dated as of February 14, 2019 entered into among the Companies, the Agent, and the Purchasers;

"Security Interest" means, collectively, all of the grants, mortgages, charges, transfers, assignments, pledges and security interests created in Section 3 of this Debenture.

2. Acknowledgment of Debt and Obligations

For value received, the Debtor hereby acknowledges itself indebted to and promises to pay to or to the order of the Agent at such place as the Agent may designate by notice in writing to the Debtor, on the Acceleration Date, the lesser of: (i) Forty Eight Million Dollars (CAD\$48,000,000); and (ii) the amount of the Obligations. The Debtor also promises to pay interest on such amount from the Acceleration Date at the rate of ten percent (10%) per annum which interest shall be calculated and payable monthly not in advance, both before and after demand and before and after default, judgment and execution until payment in full of all amounts owing hereunder.

3. Creation of Security Interest

As continuing security for the payment and performance of the Obligations, the Debtor hereby grants, mortgages, charges, transfers and assigns to the Agent and creates to and in favour of the Agent, a security interest in the following:

3.

Lands

- (a) all right, title and interest of the Debtor in the Lands and any easements, privileges, benefits, immunities and rights connected therewith and/or pertaining thereto (the Debtor's leasehold interest therein, if any, being charged by way of sub-lease); all right, title and interest of the Debtor in all present and after-acquired drawings, specifications, plans and manuals relating to the Lands; all right, title and interest of the Debtor in and all benefits arising under all approvals, licences, permits and consents now or hereafter held relating to the Lands; all right, title and interest of the Debtor in and all benefits arising under all present and after-acquired agreements in effect from time to time between the Debtor and third parties relating to the Lands including, without limitation, leases, guarantees, property management agreements, development agreements, construction agreements, and maintenance agreements;

Equipment

- (b) all present and after-acquired office, trade and other equipment and goods of the Debtor, including all machinery, fixtures, plant, tools, computers, furniture, furnishings, chattels, motor vehicles of any kind or description and other tangible personal property that is not inventory (as such term is hereinafter defined), all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto ("Equipment");

Inventory

- (c) all present and after-acquired inventory of the Debtor, including all raw materials; materials used or consumed, work-in-progress, finished goods, goods used for packing, materials not intended for sale, supplies, and goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service ("Inventory");

Accounts

- (d) all present and after-acquired debts, demands and amounts due or accruing due to the Debtor whether or not earned by performance, including without limitation its book debts, accounts receivable, and claims under policies of insurance; and all contracts, security interests and other rights and benefits in respect thereof and all other present and after-acquired accounts receivable and amounts due or accruing due to the Debtor evidenced by any deposit receipts, term deposits, guaranteed investment certificates or other evidence of debt obligations issued by a bank, trust company or other financial institution, and all replacements, renewals and substitutions therefor ("Accounts");

Intangibles

- (e) all present and after-acquired intangible personal property of the Debtor, including all contract rights, goodwill, and Intellectual Property (as hereinafter defined), and all other choses in action of the Debtor of every kind, whether due at the present time or hereafter to become due or owing ("Intangibles"); as used herein, "Intellectual Property" means all of the Debtor's present and after-acquired intellectual property including without limitation, (i) copyrights, (ii) patents, (iii) trade-marks, trade names,

4.

business names, trade styles, logos and all other forms of business identifiers, and (iv) trade secrets and other confidential information and data in any form or format, including without limitation, all know-how obtained, developed or used in or contemplated at any time for use in the business, affairs, undertaking and operations of the Debtor now or hereafter owned generated or acquired, including in each instance all related additions, improvements and accessories thereto and replacements thereof (whether registered or unregistered) including without limitation the intellectual property described in any schedule attached hereto;

Documents of Title

- (f) all present and after-acquired documents of title of the Debtor, whether negotiable or otherwise including all warehouse receipts and bills of lading ("Documents of Title");

Chattel Paper

- (g) all present and after-acquired agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific goods ("Chattel Paper");

Instruments

- (h) all present and after-acquired bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)), and all other writings that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment ("Instruments");

Money

- (i) all present and after-acquired money of the Debtor, whether authorized or adopted by the Parliament of Canada as part of its currency or any foreign government as part of its currency ("Money");

Securities

- (j) all present and after-acquired securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures, financial assets (as defined in the *Securities Transfer Act, 2006* (Ontario)) and investment property (as defined in the *Personal Property Security Act* (Ontario)) and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and dividends and income derived therefrom, specifically including the securities listed in any schedule attached hereto ("Securities");

5.

Documents

- (k) all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating to collateral subject to the Security Interest ("Documents");

Licenses

- (l) subject to paragraph 8 herein, all licenses, approvals, permits and consents issued by any Governmental Authority, and all renewals, re-issuances and replacements thereof (the "Licenses");

Undertaking

- (m) all present and after-acquired real and personal property, business, and undertaking of the Debtor not being inventory, equipment, accounts, intangibles, documents of title, chattel paper, instruments, money, securities or documents ("Undertaking"); and

Proceeds

- (n) all personal property in any form derived directly or indirectly from any dealing with collateral subject to the Security Interest or the proceeds therefrom, including insurance proceeds and any other payment representing indemnity or compensation for loss of or damage thereto or the proceeds therefrom ("Proceeds").

Provided, the Security Interest shall not extend to any personal property, which is "consumer goods" as such term is defined in the *Personal Property Security Act* (Ontario).

4. Assignment of Leases and Rents

As additional and separate security for payment and performance of the Obligations, the Debtor hereby assigns, transfers and sets over to the Agent, all the Debtor's rights and interests in all existing and future leases, tenancy agreements, offers to lease and other similar agreements with respect to all or part of the Lands, and all rents, incomes, profits and other amounts now or hereafter arising from or out of all or part of the Lands or any building, improvement, fixture or part thereof forming part of the Lands, and the following provisions shall apply with respect thereto:

- (a) *Separate Assignments.* The assignment of each of the foregoing and of each of the rents, incomes, profits and other amounts by the Debtor to the Agent herein contained in this Section 4 shall be deemed to be a separate assignment so that the Agent in its discretion may exercise its rights in respect of any or all of such leases, offers to lease, tenancy agreements or other similar agreements or the rents, incomes, profits or other amounts paid or payable thereunder.
- (b) *Collection by Debtor before Acceleration Date.* Until the Acceleration Date, the Debtor may collect, retain and apply all rents, incomes, profits and other amounts and deal with all leases, offers to lease, tenancy agreements and other similar agreements from time to time.

6.

- (c) *No Liability of Mortgagee and Indemnity by Debtor.* Nothing herein shall obligate the Agent to assume or perform (and nothing herein shall impose on the Agent) any liability or obligation of the Debtor to any tenant or other person pursuant to or in respect of any lease, offer to lease, tenancy agreement, other similar agreement or otherwise, and the Debtor hereby indemnifies and saves harmless the Agent from any and all claims with respect thereto (except to the extent arising from the gross negligence or willful misconduct of the Agent), provided that the Agent may, at its sole option, assume or perform any such obligations as it considers necessary or desirable.
- (d) *Re-assignment.* The Agent may, at any time without further request or agreement by the Debtor, reassign to the Debtor or its successors or assigns, any or all of the collateral referred to in this Section 4.

5. Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 3, for greater certainty the Collateral shall include all present and after-acquired real and personal property in which the Debtor may have an interest which may be specifically described in any schedule which may be attached hereto. The Debtor agrees to execute and deliver at its own expense from time to time amendments to this Debenture or additional security agreements as may be reasonably required by the Agent in order that the Security Interest shall attach to such real and personal property.

6. Attachment

The parties acknowledge that value has been given, the parties have not agreed to postpone the time for attachment of the Security Interest and the Debtor has rights in the Collateral. In respect of Collateral in which the Debtor obtains an interest after the execution and delivery of this Debenture, the Security Interest shall attach thereto immediately upon the Debtor obtaining such rights.

7. Dealings with Collateral

Unless otherwise restricted in the Guarantee or the other Transaction Documents, until the Acceleration Date, the Debtor may sell inventory and collect its Accounts in the ordinary course of its business. After the Acceleration Date, whether or not the Agent shall have taken any steps to enforce the Security Interest, the Debtor's entitlement to sell inventory shall cease, and any Accounts collected by the Debtor shall be held by the Debtor as agent and in trust for the Agent and shall be paid to the Agent immediately upon receipt.

8. Exception re Leasehold Interests, Licenses and Contractual Rights

The last day of the term of any lease or sublease of any real property or any agreement therefor, is specifically excepted from the Security Interest, but the Debtor agrees to stand possessed of such last day in trust for any person acquiring such interest of the Debtor. If the Debtor is a party to or holds the benefit of any lease, sublease, agreement, right, license, franchise or permit (collectively referred to in this Section as "rights"), and if the granting of the Security Interest in respect of such rights (or in respect of any property which is the subject-matter of such rights) would constitute a breach or cause the acceleration thereof, the Debtor hereby agrees to use commercially reasonable efforts to obtain all necessary consents from the parties thereto (to the extent requested by the Agent) to the charging and assignment thereof in favour of the Agent, and the attachment of the Security Interest in respect of all

7.

such rights and property shall be postponed until such consent is provided. Upon the provision of such consent, the Security Interest shall immediately attach in all such rights and property. Until such attachment, the Debtor shall hold its interest in all such rights and property in trust for the Agent, unless the holding of such interest by the Debtor in trust for the Agent would constitute a breach or cause the acceleration thereof.

9. Securities

Until further notice by the Agent, the certificates representing the securities may remain registered in the name of the Debtor, and the Debtor shall at the option of the Agent either duly endorse such certificates in blank for transfer or execute stock powers of attorney in respect thereof; in either case with signatures guaranteed and with all documentation, being in form and substance satisfactory to the Agent and the transfer agent appointed from time to time in respect of the Securities. At any time and from time to time upon request by the Agent, the Debtor shall cause any or all of the Securities to be registered in the name of the Agent or its nominee, and the Agent is hereby appointed the irrevocable attorney of the Debtor with full power of substitution to cause any or all of the Securities to be registered in the name of the Agent or its nominee. Until the Acceleration Date:

- (a) the Debtor shall be entitled to exercise all voting rights attached to the Securities and give consents, waivers and ratifications in respect thereof; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken which would be prejudicial to the interests of the Agent or which would have the effect of reducing the value of the Securities as security for the Obligations or imposing any restriction on the transferability of any of the Securities; and
- (b) the Debtor shall not exercise its voting rights attached to the Securities in connection with the following matters relating to the Issuer of the Securities, without the prior written consent of the Agent:
 - (i) the issuance of shares of any class in the capital stock of the Issuer, or any subdivision or consolidation of any such shares;
 - (ii) any borrowing or guarantee of debt to be undertaken by the Issuer;
 - (iii) any investment to be made by the Issuer outside the existing scope of its business;
 - (iv) any disposition by the Issuer of assets outside of the existing scope of its business;
 - (v) any disposition by the Issuer of any securities of its affiliates or subsidiaries;
 - (vi) any plan of reorganization, merger, dissolution, liquidation, winding-up or other similar plan affecting the corporate structure or existence of the Issuer; or
 - (vii) any amendment or other change to the constituting documents of the Issuer.

All such rights of the Debtor to vote and give consents, waivers and ratifications shall cease immediately upon the Acceleration Date.

8.

10. Representations and Warranties

The Debtor hereby represents and warrants as follows to the Agent and acknowledges that the Agent is relying thereon:

- (a) the Debtor has the capacity, power, legal right and authority to guarantee the obligations of the Companies, perform its obligations under this Debenture and create the Security Interest; and the execution and delivery of this Debenture and the performance of the Debtor's obligations herein have been duly authorized by all necessary corporate action;
- (b) the Debtor owns and possesses the Collateral free and clear of any and all liens, charges, mortgages, security interests, hypothecs and other encumbrances except for Permitted Liens; and
- (c) the Debtor does not own any goods which are used or acquired primarily for personal, family or household purposes.

11. Covenants of Debtor

The Debtor covenants and agrees as follows:

- (a) to prevent the Collateral from becoming an accession to any personal property not subject to this Debenture;
- (b) if requested by Agent, to deliver to the Agent from time to time all items of Collateral comprising Chattel Paper, Instruments, Securities and those Documents of Title which are negotiable;
- (c) to do, make, execute and deliver such further and other assignments, transfers, deeds, security agreements and other documents as may be reasonably required by the Agent to establish in favour of the Agent the Security Interest intended to be created hereby and to accomplish the intention of this Debenture;
- (d) to pay all reasonable expenses, including without limitation reasonable legal and receivers' fees and disbursements, incurred by the Agent or its agents (including any Receiver, as hereinafter defined) in connection with the preparation, perfection, preservation, and enforcement of this Debenture; including all reasonable expenses incurred by the Agent or such agents in dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the Security Interest; all of which expenses shall be payable promptly upon demand and shall form part of the Obligations; and
- (e) not to sell or otherwise dispose of any of the Lands or any interest of the Debtor therein by conveyance, transfer, lease, declaration of trust or otherwise, and not to mortgage, charge, assign, create a security interest in or otherwise directly or indirectly encumber in any way any of the Lands, except as may be permitted in the Guarantee.

9.

12. Enforcement

The Obligations shall be due and payable and the Security Interest shall become enforceable on the Acceleration Date.

13. Remedies

From and after the Acceleration Date, in addition to exercising any other remedies available at law or equity or contained in any other agreement between the Debtor and the Agent, all of which remedies shall be independent and cumulative, the Agent may:

- (a) enter upon the Lands or any other premises where Collateral may be located;
- (b) manage, operate and repair the Collateral;
- (c) take possession of Collateral by any method permitted by law;
- (d) occupy and use the Lands or any other premises occupied by the Debtor and use all or any of such Lands and premises and other Collateral located thereon;
- (e) take such steps and expend such monies as it considers necessary or desirable in its sole discretion to maintain, preserve and protect the Collateral, including payments on account of other security interests affecting the Collateral; provided that the Agent shall have no obligation to take any such actions or make any such expenditures; but any such amounts paid by the Agent shall be added to the Obligations and shall be secured hereby;
- (f) sell, lease or otherwise dispose of Collateral;
- (g) foreclose the Debtor's equity of redemption in the Lands;
- (h) collect, sell or otherwise deal with Accounts, including notifying any person obligated to the Debtor in respect of an Account, Chattel Paper or an Instrument to make payment to the Agent of all such present and after-acquired amounts due thereon;
- (i) collect any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on such business; and the collection of such amounts from the tenants or other persons responsible for the payment thereof shall not constitute the Agent a mortgagee-in-possession unless the Agent provides written notice to the said tenants or other persons that it has determined to take possession;
- (j) exercise all voting rights attached to the Securities (whether or not registered in the name of the Agent or its nominee) and give or withhold all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the absolute owner thereof;
- (k) exercise any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Securities as if it were the absolute owner thereof including, without limitation, the right to exchange at its discretion any and all

10.

of the Securities upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any of the Securities, and in connection therewith, to deposit and deliver any of the Securities with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine, all without liability except to account for property actually received by it;

- (l) comply with any limitation or restriction in connection with any proposed sale or other disposition of the Securities as may be necessary in order to comply with applicable law or regulation or any policy imposed by any stock exchange, securities commission or other Governmental Authority and the Debtor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Agent be liable or accountable to the Debtor for any discount in the sale price of the Securities which may be given by reason of the fact that such Securities are sold in compliance with any such limitation or restriction;
- (m) carry on the business of the Debtor or any portion thereof;
- (n) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the Accounts or any other obligation of any third party to the Debtor;
- (o) borrow money for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and charge and grant further security interests in the Collateral in priority to the Security Interest, as security for the money so borrowed;
- (p) appoint by instrument in writing a receiver, or a receiver and manager (each of which is herein called a "Receiver") in respect of the Collateral or any portion thereof;
- (q) apply to any court of competent jurisdiction for the appointment of a receiver or a receiver and manager in respect of the Collateral or any portion thereof;
- (r) accept the Collateral in satisfaction of the Obligations (and in connection therewith, foreclose upon the Lands); and
- (s) file proofs of claim and other documents in order to have the claims of the Purchasers, the Noteholders and/or the Agent lodged in any bankruptcy, winding-up, or other judicial proceeding relating to the Debtor or the Collateral.

14. Receiver

Any Receiver appointed by the Agent may be any person or persons, and the Agent may remove any Receiver so appointed and appoint another or others instead. The Receiver may exercise all powers of the Agent as provided in this Debenture. The Receiver shall act as agent for the Agent for the

11.

purposes of taking possession of the Collateral, and (except as provided below) as agent for the Debtor for all other purposes, including without limitation the occupation of any premises of the Debtor and in carrying on the Debtor's business. For the purposes of realizing upon the Security Interest, the Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Agent as it may determine in its discretion. The Debtor agrees to ratify and confirm all actions of the Receiver acting as agent for the Debtor taken in accordance with the powers contained herein, and to release and indemnify the Receiver in respect of all such actions, except that such ratification, confirmation, release and indemnity shall not apply to any gross negligence or willful misconduct on the part of such Receiver.

15. Standards of Sale

The Debtor agrees that from and after the Acceleration Date, it shall be commercially reasonable for the Agent to dispose of any Collateral consisting of personal property by private sale or public sale. If such Collateral is disposed of by public sale, the sale may be held following one advertisement in a newspaper having general circulation in the location of the Collateral to be sold at least seven days prior to such sale, and the Agent may establish a reserve bid in respect of all or any portion of such Collateral. Such Collateral may be disposed of in whole or in part, for cash or credit, or part cash and part credit. The purchaser or lessee of such Collateral may be a customer of the Agent or any Lender. No purchaser shall be bound to enquire into the legality, regularity or propriety of any sale or be affected by notice of any irregularity or impropriety and no lack of default or want of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale hereunder. The Agent may sell any such Collateral without taking actual possession of any part thereof, and while in possession the Agent shall only be accountable for monies actually received by it and shall not be liable for any loss on any realization. The Agent may commence and continue any sale proceedings notwithstanding that other sale proceedings by other persons have been taken or are then pending.

16. Failure of Agent to Exercise Remedies

The Agent shall not, nor shall any Receiver appointed by it, be liable for any delay or failure to enforce any remedies available to it or to institute any proceedings for such purposes.

17. Application of Payments

From and after the Acceleration Date, all payments made in respect of the Obligations and all monies received by the Agent or any Receiver appointed by the Agent in respect of the enforcement of the Security Interest may be held as security for the Obligations or applied in such manner as may be determined in the discretion of the Agent or the Receiver, as the case may be, and the Agent may at any time apply or change any such appropriation of such payments or monies to such part or parts of the Obligations as the Agent may determine in its discretion. The Debtor shall remain liable to the Agent for any deficiency; and any surplus funds realized after the satisfaction of all Obligations shall be paid in accordance with applicable law.

18. Dealings by Agent

The Agent may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, and otherwise deal with the Collateral, the Debtor, debtors of the Debtor, sureties of the Debtor, and others as the Agent may see fit, without prejudice to the Obligations and the rights of the Agent to hold and realize upon the Security Interest. The Agent has

12.

no obligation to keep Collateral identifiable, or to preserve rights against prior secured creditors in respect of any Collateral which includes Chattel Paper or Instruments.

19. Payment of Liens, etc.

The Agent may pay and satisfy the whole or any part of any liens, charges, mortgages, security interests, hypothecs and other encumbrances (except Permitted Liens) now or hereafter existing in respect of any of the Collateral, and such payments made by the Agent together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Obligations. In the event of the Agent satisfying any such liens, charges, mortgages, security interests, hypothecs and other encumbrances, it shall be entitled to all the equities and securities of the person or persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.

20. Release and Reassignment.

After the Obligations have been paid and satisfied in full, the Agent shall at the request and expense of the Debtor execute such releases and reassignments of this Debenture, the Security Interest and any registrations made in respect thereof, and other documents or Instruments as shall be reasonably required by the Debtor to give effect to the foregoing.

21. Notice

Without prejudice to any other method of giving notice, all communications provided for or permitted hereunder shall be in writing and delivered to the addressee by prepaid private courier or sent by facsimile or electronic mail (including pdf), to the applicable address and to the attention of the officer of the addressee as follows:

to the Debtor:

Activa Inc.
340 Albert Street, Suite #1400
Ottawa, Ontario
Canada K1R 0A5

Attention: Steven Archambault
Email: sarchambault@livefullfoods.ca

to the Agent:

Dominion Capital LLC
256 West 38th Street, 15th Floor
New York, NY 10018

Attention: President

Any communication transmitted by prepaid private courier shall be deemed to have been validly and effectively given or delivered on the Business Day after which it is submitted for delivery. Any communication transmitted by facsimile or electronic mail shall be deemed to have been validly and

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13.

effectively given or delivered on the day on which it is transmitted, if transmitted on a Business Day on or before 5:00 p.m. (local time of the intended recipient), and otherwise on the next following Business Day. Any party may change its address for service by notice given in the foregoing manner.

22. Separate Security

This Debenture and the Security Interest are in addition to and not in substitution for any other security now or hereafter held by the Agent, the Purchasers or the Noteholders in respect of the Debtor, the Obligations or the Collateral.

23. Obligations May Revolve

This Debenture is a continuing security and shall secure the Obligations notwithstanding that the Obligations may be repaid and satisfied in whole or in part from time to time and further Obligations may be incurred from time to time.

24. Exclusion of Statutory Covenants

The covenants deemed to be included in a charge/mortgage of land by subsection 7(1) of the *Land Registration Reform Act* (Ontario) are expressly excluded from this Debenture.

25. Severability

If any provision of this Debenture shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.

26. Time of Essence

Time shall be of the essence of this Debenture.

27. Grammatical Changes

This Debenture is to be read as if all changes in grammar, number and gender rendered necessary by the context had been made, specifically including a reference to a person as a corporation and vice-versa.

28. Inconsistencies with Guarantee

To the extent that there is any inconsistency between a provision of this Debenture and a provision of the Guarantee, the provision of the Guarantee shall govern.

29. Amendments in Writing

No amendments hereto shall be effective unless made in writing. Possession of an executed copy of this Debenture by the Agent constitutes conclusive evidence that it was executed and delivered by the Debtor free of all conditions.

14.

30. Governing Law/Attornment

This Debenture shall be interpreted in accordance with the laws of the Province of Ontario, and without prejudice to the ability of the Agent to enforce this Debenture in any other proper jurisdiction; the Debtor hereby irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

31. Power of Attorney

The Debtor hereby constitutes and appoints the Agent or any officer thereof as its true, lawful and irrevocable attorney with full power of substitution, after the Acceleration Date, to execute all documents and take all actions as may be necessary or desirable to perform any obligations of the Debtor arising pursuant to this Debenture, and in executing such documents and taking such actions, to use the name of the Debtor whenever and wherever it may be considered necessary or expedient. Without limiting the generality of the foregoing, the Agent may, pursuant to this power of attorney, execute and register with any applicable governmental office or authority any and all documents which the Agent may consider necessary or desirable in connection with the Security Interest in respect of the Intellectual Property.

32. Successors and Assigns

This Debenture shall enure to the benefit of the Agent and its successors and permitted assigns and shall be binding upon the Debtor and its successors and permitted assigns.

33. Additional Copies for Registration

Additional copies of this Debenture may be executed by the Debtor for registration purposes, which said copies may contain different dates and different schedules of freehold land, leasehold land and equipment attached thereto. Notwithstanding the foregoing, all such original executed copies shall constitute one and the same Debenture; and the Security Interest herein created shall attach to all collateral, specifically including all freehold land, leasehold land and equipment described in the schedules attached to all original executed copies of this Debenture.

34. Execution by Fax or PDF/ Execution in Counterparts

This Debenture may be executed by facsimile, electronic mail or pdf, and any signature contained hereon by facsimile, electronic mail or pdf shall be deemed to be equivalent to an original signature for all purposes.

35. Copy of Debenture

The Debtor acknowledges receipt of an executed copy of this Debenture, and waives all rights to receive from the Agent a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this Debenture.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, this Debenture has been executed and delivered by the Debtor this ____ day of _____, 2019.

ARTIVA INC.



By: _____

name:
title:

By: _____

name:
title:

(Signature page - Debenture)

Schedule "A"

Description of Lands

5130 and 5208 Ramsayville Road, Ottawa, Ontario, Canada

PIN: 04326-0667 (LT)

PART LOT 27, CON 6RF GLOUCESTER AS IN N664829 AND N670666; S/T GL59248 AMENDED BY GL63494; S/T GL59249 AS AMENDED BY GL63494; GLOUCESTER; CITY OF OTTAWA

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17.

Schedule "B"

Permitted Liens

- (a) statutory liens which secure payment of amounts not then overdue;
- (b) statutory liens which secure payment of amounts which are then overdue but the validity of which is being contested in good faith and in respect of which reserves satisfactory to the Agent in its sole discretion have been established;
- (c) security given to a public utility, municipality, government or statutory or public authority to secure obligations incurred to such utility, municipality, government or other authority in the ordinary course of business and not then overdue;
- (d) liens and privileges arising out of judgments or awards in respect of which an appeal or proceeding for review has been commenced, provided a stay of execution pending such appeal or proceedings for review has been obtained and provided reserves satisfactory to the Agent in its sole discretion have been established;
- (e) liens or rights of distress reserved in or exercisable under any lease of real property for rent not then overdue or for compliance with the provisions of such lease not then in default;
- (f) security deposits given under leases of real property not in excess of an amount equivalent to six months' rent;
- (g) liens securing obligations or duties affecting real property due to any public utility, municipality, government, or statutory or public authority with respect to any franchise, grant, licence or permit in good standing and any minor irregularities in title to any real property, provided such obligations, duties and minor title irregularities do not materially impair the use, value or marketability of such real property;
- (h) liens incurred or deposits made in connection with contracts, bids or tenders made in the ordinary course of business or in connection with expropriation proceedings, surety or appeal bonds or costs of litigation to the extent required by law;
- (i) liens (including construction liens) arising in connection with the construction or improvement of any real property or arising out of the furnishing of materials or supplies therefor, provided that such liens secure payment of amounts not then overdue (or if overdue, the validity of which is being contested in good faith and in respect of which reserves satisfactory to the Agent in its sole discretion have been established) and provided notice of such lien has not been given to the Agent and such lien has not been registered against title to such real property;
- (j) zoning and building by-laws affecting real property provided they are complied with;
- (k) storers' and repairers' liens securing amounts not then overdue;
- (l) encumbrances in favour of the Agent; and

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18.

(m) the following specifically permitted encumbrances:

- (i) \$6,000,000 Charge/Mortgage in favour of Olympia Trust Company and Allan Trevor Hinnegan.

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TAB B

THIS IS EXHIBIT "B" TO THE AFFIDAVIT OF
SEANN POLI, SWORN BEFORE ME ON
MARCH 2 , 2020



A COMMISSIONER FOR TAKING OATHS

LSO# 76748M

LRO # 4 Charge/Mortgage

Registered as OC1945390 on 2017 11 01 at 11:38

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 14

Properties

PIN 04326 - 0269 LT *Interest/Estate* Fee Simple
Description PT LT 27 CON 6RF GLOUCESTER AS IN N664829; S/T GL59248 AMENDED BY GL83494 ; GLOUCESTER
Address 5130 RAMSAYVILLE ROAD
 OTTAWA

PIN 04326 - 0270 LT *Interest/Estate* Fee Simple
Description PT LT 27 CON 6RF GLOUCESTER AS IN N670666; S/T GL59249 AMENDED BY GL83494 ; GLOUCESTER
Address 5208 RAMSAYVILLE ROAD
 OTTAWA

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 1496013 ONTARIO INC.
Address for Service 1913 Kingsdale Avenue
 Ottawa, Ontario
 K1T 1H9

I, Walid Abboud, President, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Name 1019884 ONTARIO INC.
Address for Service 1913 Kingsdale Avenue
 Ottawa, Ontario
 K1T 1H9

I, Walid Abboud, President, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)

	<i>Capacity</i>	<i>Share</i>
Name WAKELY, STEPHEN		79.67% share
Address for Service 75 Thames Street P.O. Box 428 Chatham, Ontario N7M 5K5 The actual Chargee is "Stephen Wakely, Trustee".		
Name OLYMPIA TRUST COMPANY		20.33% share
Address for Service 2200, 125 - 9th Avenue SE Calgary, Alberta T2G 0P8		

Statements

Schedule: See Schedules

Provisions

Principal	\$8,000,000.00	Currency CON
Calculation Period	semi-annually, not in advance	
Balance Due Date	2019/11/01	
Interest Rate	7.99% per annum	
Payments	\$39,300.78	
Interest Adjustment Date	2017 11 01	
Payment Date	1st day of each month - interest only	
First Payment Date	2017 12 01	
Last Payment Date	2019-11 01	

LRO # 4 Charge/Mortgage

Registered as OC1946390 on 2017 11 01 at 11:38

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 14

Provisions

Standard Charge Terms 200033
 Insurance Amount full insurable value
 Guarantor

Additional Provisions

The Chargers, when not in default hereunder, shall have the privilege of paying to the Chargee, any additional amount, at any time or times, on payment of THREE (3) MONTH'S Interest penalty.

PROVIDED, however, in the event of sale, Agreement of Sale, or otherwise, of all or any portion of the lands described herein, the balance then outstanding together with any accrued interest, shall be due and payable together with THREE (3) MONTH'S Interest penalty.

PROVIDED FURTHER, that at maturity, if all terms and conditions have been adhered to, and at the Chargee's discretion, the Chargers will have the option to renew this Charge/Mortgage for a further TWO (2) YEAR term at a rate of 5.00% above the bank lending prime rate plus payment of a 1.00% renewal brokerage fee.

Signed By

María Pacheco Frias 75 Thames St., PO Box 428 acting for Signed 2017 11 01
 Chatham Chargee(s)
 N7M 6K6

Tel 519-351-8004

Fax 519-352-4159

I have the authority to sign and register the document on behalf of the Chargee(s).

Submitted By

STEPHEN WAKELY LAW OFFICE 75 Thames St., PO Box 428 2017 11 01
 Chatham
 N7M 6K6

Tel 519-351-8004

Fax 519-352-4159

Fees/Taxes/Payment

Statutory Registration Fee \$63.35
 Total Paid \$63.35

File Number

Charger Client File Number : COMF - 9887
 Chargee Client File Number : R5771-17

Schedule to Charge/Mortgage

The chargees hereby acknowledge that Olympia Trust Company holds this mortgage in trust for:

Name:	Plan No.:	Amount:	Percentage:
Michaud, Diana	174466	\$ 50,000.00	0.83
Treacy, Morgan	172664	\$ 42,500.00	0.71
Treacy, Morgan	126845	\$ 122,900.00	2.05
Nelson, Robert	120360	\$ 98,500.00	1.64
O'Rourke-Nelson, Kimberly	104975	\$ 130,500.00	2.18
Gilhula, Shayne	107875	\$ 49,900.00	0.83
Lloyd, Dennis	113506	\$ 50,000.00	0.83
Thomas, Norman	123985	\$ 140,000.00	2.33
Davis, Ann	124056	\$ 96,000.00	1.60
Davis, Malcolm	124057	\$ 40,000.00	0.67
McArthur, Paul	106434	\$ 215,000.00	3.58
McArthur, Mary	106523	<u>\$ 185,000.00</u>	<u>3.08</u>
TOTALS		\$1,220,300.00	20.33

Chargors: 1496013 Ontario Inc. is the registered owner of PIN 04326-0269.
1019884 Ontario Inc. is the registered owner of PIN 04326-0270.

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ADDITIONAL PROVISIONS1. Default

In addition to any other Default Clauses set out in this Charge, or in the Standard Charge Terms referred to herein, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee on the occurrence or happening or any of the following events (Event(s) or Default")

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured on any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation; heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

(d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

(e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed for the winding up of the Chargor;

(f) any proceedings with respect the Chargor are commenced under the Companies' Creditors Arrangement Act;

(g) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;

(h) the property hereby mortgaged and charged or any part thereof, other than sales of lots containing fully completed single family dwellings to bona fide purchasers for value, prior approved in writing by the

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Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them (except if such change of voting control or beneficial ownership results in LivWell Foods Canada Inc. or any of its subsidiaries acquiring voting control or beneficial ownership of such Chargor);

(i) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee on maturity;

2.

Chargee May Remedy Default

If the Chargor should fail to perform and covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness accrued herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

3.

Construction Liens

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Lien Act, 1990, so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be considered to make the Chargee an "owner" or "payer" as defined under the Construction Lien Act, 1990, nor shall there by, or be deemed to be, any obligation by the Chargee to obtain any holdback, which may be required by the said legislation. Any holdback, which may be required to be made by the owner or payer, shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Lien Act, 1990.

4.

Environmental

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitations the *Environmental Act (Ontario)*, as amended from time to time (the "EPA"), and the *Canadian Environmental Protection Act*, as amended from time to time (the "CEPA"); and

(ii) "Hazardous Material" means, collectively, any contaminants (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the *Transportation of Dangerous Goods Act (Canada)*, as amended from time to time) or pollutants or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm to the natural environment or material risk to human health.

(b) The Chargor hereby represents and warrants that:

(i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;

(ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;

(iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and

(iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling,

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discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.

(c) The Chargor covenants that:

(i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;

(ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure some compliance;

(iii) the Chargor will not be involved in operation at or in the Lands which could lead to the imposition on the Chargor of liability under the applicable environmental laws or the issuance of any order under the Applicable environmental Laws to stop discharging, shut down, clean up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;

(iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean up on decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

(v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all notices,

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permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;

(vi) the Chargor shall remove any Hazardous material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery as its sole expense;

(vii) the Chargor will not instal on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and

(viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

(d) The Chargor hereby indemnifies and holds harmless the Chargee, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Chargee (the "Indemnified Persons") from and against and shall reimburse the Chargee for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the within Charge, as mortgagee in possession, a successor in interest to the Chargor as owner of the Lands by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:

(i) under or an account of the Applicable Environmental Laws, including the assertion or any lien thereunder;

(ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon and land, the atmosphere, or any watercourse, body or water of wetland, or any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:

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a. the costs of defending and/or counterclaiming or claiming over against third parties in respect or any action or matter; and

b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;

(iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgement or verdict arising from the deposit, storage, disposal, burial, dumping, injection, spilling, leaking or other placement or release in on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean up, decommission or pay for any clean up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injection, spilling, leaking or other placement or release in, on or from the Lands or any Hazardous Material:

a. resulted by, through or under the Chargor; or

b. occurred with the Chargor's knowledge and consent, or

c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

The provisions of this paragraph shall survive foreclosure of this Charge and satisfaction and release of this Charge and satisfaction and repayment of the amount secured hereunder. Any accounts for which the Chargor shall become liable to the Charge under this paragraph shall, if paid by the Indemnified Person, bear interest from the date of payment at the interest rate stipulated herein and together with such interest shall be secured hereunder.

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and say amounts paid as a

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result thereof, together with interest therein at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor and until paid shall be added to and become a part of the amount secured hereunder.

5. Letters of Credit

The parties hereto acknowledge and agree that this Charge shall also secure payment by the Chargor to the Chargee of all amounts advanced by the Chargee pursuant to or by way of issuance or any letters of credit, renewals thereof, substitutions therefore and accretions thereto or pursuant to similar instruments issued at the Chargor's request or on its behalf and issued by the Chargee or on behalf of or at the request or upon the credit of the Chargee and the total amount of such letters of credit shall be decreed to have been advanced and fully secured by this Charge from the date of the issuance of such letters of credit, regardless of when or whether such letters of credit are called upon by the holder(s) thereof. In the event of the enforcement or exercise by the Chargee or any of the remedies or rights provided for in this Charge, the Chargee shall be entitled to retain and shall not be liable to pay or account to the Chargor or any other party in respect of the full amount of any outstanding letters of credit from the proceeds of such enforcement or exercise until such time as the letters of credit have expired, have been cancelled and have been amended to the Lender or the issuer(s) thereof.

6. Appointment of a Receiver

NOTWITHSTANDING anything herein contained, it is declared and agreed that at any time, and from time to time, when there shall be default under the provisions of these presents, the Chargee may at such time, and from time to time, and with or without entering into possession of the Charged Property appoint in writing a receiver (the "Receiver" which term shall include a receiver/manager) of the Charged Property, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in the making of any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby agrees and consents to the appointment of the Receiver of the Chargee's choice and without limitation, whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act or pursuant to the Courts of Justice Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Charged Property and every part thereof. Upon the appointment of any such Receiver or Receivers from time to time the following provisions shall apply:

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(i) a statutory declaration of an officer of the Chargee as to default under the provisions of these presents shall be conclusive evidence thereof;

(ii) every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due with respect to the Charged Property, and every part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;

(iii) the Chargee may from time to time fix the remuneration of every such Receiver who shall be entitled to deduct same out of the Charged Property or the proceeds thereof.

(iv) each such Receiver shall, so far as concerns responsibility and liability for its acts or omissions, be deemed to be the agent or attorney of the Chargor and in no event the agent of the Chargee;

(v) the appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect or such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such Receivership shall not have the effect of constituting the Chargee a charge in possession with respect to the Charged Property or any part thereof;

(vi) the Receiver shall have the power to rent any portion of the Charged Property for such terms and subject to such provisions as it may deem advisable or expedient and in so doing such Receiver shall be acting as the attorney or agent of the Chargor and shall have the authority to execute any lease of any such premises in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever acts such Receiver may do in the Charged Property;

(vii) every such Receiver shall have full power to complete any unfinished construction upon the Charged Property;

(viii) any such Receiver shall have full power to carry on or concur in the carrying on of the business of the Chargor, and to employ and discharge such agents, workmen, accountant and other individuals or companies as are required to carry on the

said business, upon such terms and with such salaries, wages or remuneration as it shall think proper, and to repair and keep in repair the Charged Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Charged Property.

(ix) Any such Receiver shall have the power to sell or lease or concur in selling or leasing the Charged Property, or any part thereof, any to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise, and any such sale may be made either a public auction or private sale as to the Receiver may seem best and any such sale may be made from time to time as to the whole or any part of the Charged Property; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise as it shall deem proper;

(x) Any such Receiver shall have the power to borrow money to carry on the business of the Chargor or to maintain the whole or any part of the Charged Property, in such amounts as the Receiver may from time to time deem necessary as in so doing, the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Charged Property in priority to his Charge;

(xi) Any such Receiver shall have the power to execute and prosecute all suits, proceedings and actions which the Receiver in its opinion considers necessary for the proper protection of this Charged Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;

(xii) Any such Receiver shall not be liable to the Chargor to account for moneys or damages other than cash received by it with respect to the Charged Property or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

- (a) its remuneration;
- (b) all payments made or incurred by the Receiver in connection with the management, operation, amendment, repair, alteration, or extension of the Charged Property or any part thereof.
- (c) In payment of interest, principal and other money which may from time to time be or become a charge upon the Charged Property in the priority to moneys owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it with respect to the Charged Property or any part thereof;
- (d) In payment of all interest and arrears of interest and any other monies remaining unpaid hereunder;
- (e) The residue of any money so received by the Receiver shall be applied to the principal sum or any other amounts from time to time owing under this Charge;
- (f) Subject to subparagraph (e) above, in the discretion of the Receiver, interest, principal and other monies which may from time to time constitute a charge or encumbrance on the Charged Property subsequent in priority or subordinate to the interest of the Chargee under this Charge;

And that such Receiver may in its discretion retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing, and further, that any surplus remaining in the hands of the Receiver, after payments made and such reasonable reserves retained as aforesaid, shall be payable to the Chargor.

PROVIDED that save as to monies payable to the Chargor pursuant to subparagraph (xii) of this Paragraph, this Chargor hereby releases and discharges the Chargee and every such Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by

the Chargee or any such Receiver under the provisions of this Paragraph, unless such claim be the direct and proximate result of bad faith or gross neglect.

The Chargor hereby irrevocably appoints the Chargee as its attorney to execute such consent or consents and all such documents as may be required in the sole direction of the Chargee and/or its solicitor so as to give affect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or Receiver and/or with respect to the Charged Property, in the same manner as if such documentation was duly executed by the Chargor itself.

7.

Miscellaneous

The Chargor agrees as follows:

- (a) to maintain the project in good repair and in a state of good operating efficiency;
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested;
- (e) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

Land Registration Reform Act
SET OF STANDARD CHARGE TERMS

Filed by:
Dya & Durham Co. Inc.

Filing Date: November 3, 2000
Filing number: 200033

The following Set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1990, c. L4 as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to the above-noted filing number in such Charge shall hereinafter be referred to as the "Charge".

- | | | |
|---|----|--|
| <i>Exclusion of Statutory Covenants</i> | 1. | The Implied Covenants deemed to be included in a Charge under subsection 7(1) of the <i>Land Registration Reform Act</i> as amended or re-enacted are excluded from the Charge. |
| <i>Right to Charge the Land</i> | 2. | The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge. |
| <i>No Act to Encumber</i> | 3. | The Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose. |
| <i>Good Title in Fee Simple</i> | 4. | The Chargor, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisions, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown. |
| <i>Promises to Pay and Perform</i> | 5. | The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same. |
| <i>Interest After Default</i> | 6. | In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land. |
| <i>No Obligation to Advance</i> | 7. | Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Chargor. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable. |
| <i>Costs Added to Principal</i> | 8. | The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall |

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due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate Commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or Claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.

Power of Sale 9.

The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the *Mortgages Act*. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

Quiet Possession 10.

Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.

Right to Distrain 11.

If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise

- 3 -

of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.

- Further Assurances* 12. From and after default in the payment of the principal amount secured by the Charge or the Interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one, or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whatsoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devises, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.
- Acceleration of Principal and Interest* 13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.
- Unapproved Sale* 14. If the Chargor sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.
- Partial Releases* 15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured and the Charge and no person shall have the right to require the mortgage monies to be apportioned.
- Obligation to Insure* 16. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

- Obligation to Repair** 17. The Chargor will keep the land and the buildings, erections and Improvements thereon in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereof subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and Improvements in good condition and repair, or commit or permit any act of waste on the land (as to which the Chargee shall be sole judge) or make default as to any of the covenants, provisos, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.
- Building Charge** 18. If any of the principal amount to be advanced under the Charge is to be used to finance an improvement on the land, the Chargor must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargor must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargor agrees that any improvements shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargor has complied with the holdback provisions of the *Construction Lien Act* as amended or re-enacted. The Chargor authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.
- Extensions not to Prejudice** 19. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so altered over any instrument delivered for registration subsequent to the Charge; provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.
- No Mergor of Covenants** 20. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenant or affect the Chargee's right to interest at the rate and times provided for in the Charge; and, further, that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgement shall have been fully paid and satisfied.
- Change in Status** 21. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) or (c) above as the Chargee may from time to time request.
- Condominium Provisions** 22. If the Charge is of land within a condominium registered pursuant to the *Condominium Act* (the "Act") the following provisions shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the Common expenses for the unit to

- 6 -

the corporation on the due dates. If the Chargee decides to collect the Chargor's contribution toward the common expenses from the Chargor, the Chargor will pay the same to the Chargee upon being so notified. The Chargee is authorized to accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction or damage by fire and other perils usually covered in fire insurance policies and against such other perils as the Chargee requires for its full replacement cost (the maximum amount for which it can be insured). The insurance company and the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 16 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.

- Discharge* 23. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or, if so requested and if required by law to do so, an assignment of the Charge, and all legal and other expenses for preparation, execution and registration, as applicable to such discharge or assignment, shall be paid by the Chargor.
- Guarantee* 24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
- (a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal monies, interest and other monies owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any monies payable hereunder, the Guarantor will pay all such monies to the Chargee without any demand being required to be made.
- (b) Although, as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the monies hereby guaranteed, as between the Guarantor and the Chargee the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the monies hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said monies are fully paid and satisfied.
- (c) Any payment by the Guarantor of any monies under this guarantee shall not in any event be taken to affect the liability of the Chargor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other monies owing on the security of the Charge shall have been

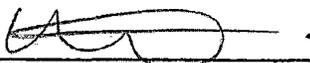
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- paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.
- (d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor, all such covenants, liabilities and obligations shall be joint and several.
- (e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors, if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.
- Severability** 25. It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.
- Interpretation** 26. In construing these covenants the words "Charge", "Chargee", "Chargor", "land" and "successor" shall have the meanings assigned to them in Section 1 of the *Land Registration Reform Act* and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therewith shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee or Chargees shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.
- Paragraph headings** 27. The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.
- Date of Charge** 28. The Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of delivery for registration of the Charge.
- Effect of Delivery of Charge** 29. The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in written form, signed by the parties thereto and delivered to Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor and other party to the Charge agrees not to raise in any proceeding by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the Charge for registration to do so.

TOR_LAW 870029411

TAB C

THIS IS EXHIBIT "C" TO THE AFFIDAVIT OF
SEANN POLI, SWORN BEFORE ME ON
MARCH 2, 2020



A COMMISSIONER FOR TAKING OATHS

LSO # 76748M

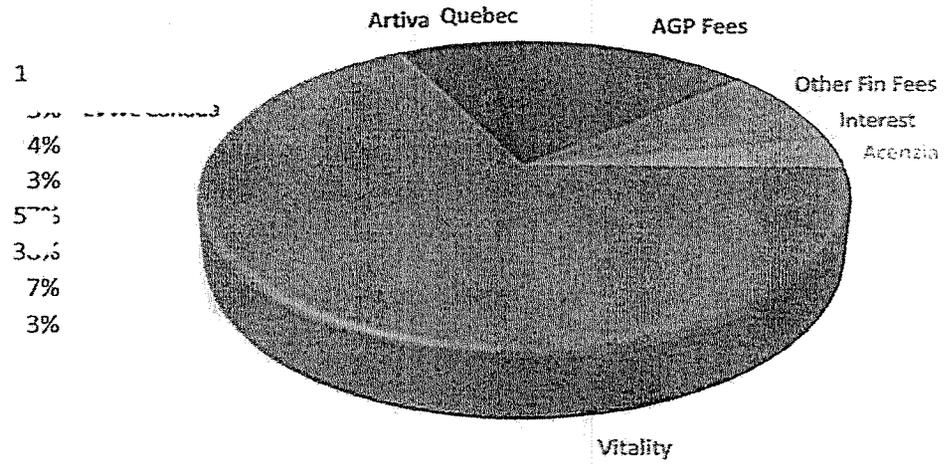
LIVEWELL CANADA
Bridge Financing (USD 000's)

Net Proceeds (from Bridge)	14 FEB 2015	22 MAR 2015	15 APR 2015	15 APR 2015	
Proceeds	\$ 3,000	\$ 6,000	\$ 6,000	\$ 15,000	
Less: Escrow Account Restricted Cash	\$ -	\$ -	\$ (3,600)	\$ (3,600)	(2,400 WHEN RESUME TRADING, 3,600 WHEN 50KG/ DAY)
Gross proceeds	\$ 3,000	\$ 6,000	\$ 2,400	\$ 11,400	
Less:					
10% AGP broker commission	\$ (300)	\$ (963)	\$ (300)	\$ (1,563)	
Interest payment - Hedge Funds	\$ (25)	\$ (250)	\$ (125)	\$ (400)	
Legal fees and expenses (deducted from proceeds):	\$ (360)	\$ (73)	\$ (110)	\$ (543)	
Net Proceeds after direct fees	\$ 2,315	\$ 4,714	\$ 1,865	\$ 8,894	78%
Use of Funds:					
Acenzia		\$ (185)	\$ (181)	\$ (366)	-4%
Vitality					
Wires to Vitality	\$ (327)	\$ (1,061)	\$ (690)	\$ (2,078)	
Final payment re Las Cruces	\$ (1,280)	\$ -	\$ -	\$ (1,280)	
Suppliers paid by LVWL on behalf of Vitality	\$ (144)	\$ (580)	\$ (190)	\$ (914)	
Wire to lawyer re Farmer settlement	\$ (250)	\$ (506)	\$ -	\$ (756)	
	\$ (2,001)	\$ (2,147)	\$ (880)	\$ (5,028)	-57%
LVWL Canada					
Legal (Perley/ Torys)		\$ (496)	\$ (136)	\$ (632)	
Merger PR/ Financing/ Advisory		\$ (287)	\$ (17)	\$ (304)	
MNP, BDO- Audit/ Circular		\$ (149)	\$ (193)	\$ (342)	
Short Term Debt Repayment		\$ (105)	\$ -	\$ (105)	
Rent	\$ (30)	\$ (30)	\$ (30)	\$ (90)	
Insurance	\$ (30)	\$ -	\$ (54)	\$ (84)	
Payroll & Exp. Reports	\$ (176)	\$ (735)	\$ (172)	\$ (1,082)	
	\$ (236)	\$ (1,801)	\$ (602)	\$ (2,639)	-30%
Artiva					
Artiva suppliers to avoid lawsuits and liens		\$ (341)	\$ (19)	\$ (360)	
Utilities	\$ (28)	\$ (38)	\$ (15)	\$ (81)	
Mortgage PMTs	\$ (30)	\$ (30)	\$ (30)	\$ (90)	
Payroll & Exp. Reports		\$ (42)	\$ (32)	\$ (73)	
	\$ (58)	\$ (451)	\$ (96)	\$ (604)	-7%
Quebec					
Qc suppliers to avoid lawsuits and liens		\$ (42)	\$ -	\$ (42)	
IQ Study		\$ (48)	\$ -	\$ (48)	
Mortgage PMTs	\$ (20)	\$ (40)	\$ (107)	\$ (167)	
	\$ (20)	\$ (130)	\$ (107)	\$ (257)	-3%
Net	\$ (25)	\$ (250)	\$ (125)	\$ (400)	

LIVEWELL CANADA
Bridge Financing (USD 000's)

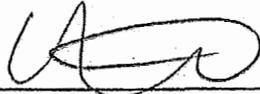
Net Proceeds from Bridge	TOTAL
AGP Fees	\$ 1,563
Other Fin Fees	\$ 543
Interest	\$ 400
Acenzia	\$ 366
Vitality	\$ 5,028
LVWL Canada	\$ 2,639
Artiva	\$ 604
Quebec	\$ 257

\$ 11,400



TAB D

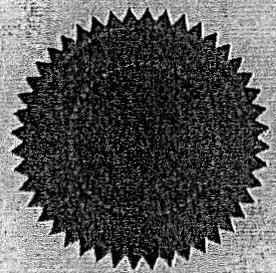
THIS IS EXHIBIT "D" TO THE AFFIDAVIT OF
SEANN POLI, SWORN BEFORE ME ON
MARCH 2, 2020



A COMMISSIONER FOR TAKING OATHS

LSO# 76748M

Licence No. - N° de licence
LIC-JNCKWTD020-2019



LIGENCE

This licence is issued in accordance with the Cannabis Act and Cannabis Regulations

LIGENCE

Cette licence est délivrée conformément à la Loi sur le cannabis et le Règlement sur le cannabis

Licence Holder / Titulaire de la licence :
Ariva Inc.

Licensed Site / Lieu autorisé :
5208 RAMSAYVILLE ROAD
OTTAWA, ON, CANADA, K1G 3N4

The above-mentioned person is authorized to conduct, at the site specified on this licence, the activities listed below for the following licence classes and subclasses:

La personne susmentionnée est autorisée à effectuer, sur le site spécifié sur cette licence, les activités énumérées ci-dessous pour les catégories et les sous-catégories de licence suivantes:

- Standard Cultivation

- Culture standard

Authorized activities

Activités autorisées

Building 1

Activities	Activités
<ul style="list-style-type: none"> • to possess cannabis • to obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting cannabis • to sell cannabis in accordance with subsection 11(5) of the Cannabis Regulations 	<ul style="list-style-type: none"> • avoir du cannabis en sa possession • obtenir du cannabis séché, du cannabis frais, des plantes de cannabis ou des graines provenant de telles plantes par la culture, la multiplication et la récolte de cannabis • vendre du cannabis en vertu du paragraphe 11(5) du Règlement sur le cannabis

Conditions

Conditions

Ariva Inc. must meet the requirements set out in the Health Canada document entitled Mandatory cannabis testing for pesticide active ingredients-Requirements.	Ariva Inc. doit respecter les exigences énoncées dans le document de Santé Canada intitulé Analyse obligatoire du cannabis pour les résidus de principes actifs de pesticides-Exigences.
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Effective date of the licence:

Date d'entrée en vigueur de la licence:

This licence is effective as of September 20, 2019

Cette licence entre en vigueur à compter du 20 septembre 2019

Expiry date of the licence:

Date d'expiration de la licence:

This licence expires on September 20, 2022

La présente licence expire le 20 septembre 2022

Director, Licensing & Security Division, CLRB, for and on behalf of the Minister
Directeur, Division des licences et sécurité, DGLRC, pour et de la part du Ministre

Estate Number/Court File No.: 33-2618511

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF EUREKA 93 INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

Estate Number/Court File No.: 33-2618512

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF LIVEWELL FOODS CANADA INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

Estate Number/Court File No.: 33-2618510

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF ARTIVA INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

Estate Number/Court File No.: 33-2618513

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF VITALITY CBD NATURAL HEALTH PRODUCTS INC. OF THE CITY OF OTTAWA IN THE PROVINCE OF ONTARIO

ONTARIO

**SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

(PROCEEDING COMMENCED AT OTTAWA)

REPLY MOTION RECORD

GOWLING WLG (CANADA) LLP

Barristers and Solicitors

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100 King Street West, Suite 1600

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Tel: (416) 369-7399 / Fax: (416) 862-7661

Email: patrick.shea@gowlingwlg.com

Benoit M. Duchesne (LSO # 44922I)

Tel: (613) 786-0142 / Fax: (613) 788-3637

Email: benoit.duchesne@gowlingwlg.com

Lawyers for the Debtors