



This is the 5th Affidavit  
of Donald Bergman in this case  
and was made on April 6, 2018

No. S1710393  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,  
R.S.C. 1985, c. C-44, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
ALL CANADIAN INVESTMENT CORPORATION

**AFFIDAVIT**

I, Donald Bergman, of Suite 2-781 Marine Park Drive, Salmon Arm, British Columbia, Businessman, AFFIRM THAT:

1. I am the sole director and the president of the Petitioner, All Canadian Investment Corporation, and as such have personal knowledge of the facts hereinafter deposed, except where such facts are stated to be based upon information and belief and where so stated I do verily believe the same to be true.

2. Capitalized terms not defined in this Affidavit shall have the same meaning ascribed to them in the Petition filed herein and the order of the Honourable Madam Justice Iyer pronounced on March 7, 2018 (the "**March 2018 Order**").

3. I swear this Affidavit in support of the Petitioner's application to extend the Stay Period granted in the March 2018 Order to June 11, 2018, and to approve debtor-in-possession financing in the amount of \$2,060,000.

4. I have previously sworn four affidavits in these proceedings being:

- (a) Affidavit #1 sworn November 7, 2017;
- (b) Affidavit #2 sworn November 30, 2017;

- (c) Affidavit #3 sworn January 19, 2018; and
- (d) Affidavit #4 sworn March 1, 2018.

5. As stated in the Petition and in previous Affidavits, the Petitioner has sought protection pursuant to the Companies' Creditors Arrangement Act ("CCAA") in order to develop a plan of compromise or arrangement (a "**Plan**") to present to its stakeholders that will involve a fair, controlled and orderly wind-down of its business operations, with the assistance and oversight of the Monitor.

6. An initial order was granted on November 10, 2017 (the "**Initial Order**").

7. Pursuant to the order of the Honourable Mr. Justice Silverman pronounced on December 5, 2017 (the "**December 2017 Order**"), the stay of proceedings was extended to March 9, 2018.

8. Pursuant to the March 2018 Order, the stay of proceedings was extended to April 11, 2018.

9. Since the date of the March 2018 Order, the Petitioner has continued to:

- (a) manage the daily operations of its business. This has required the Petitioner to, amongst other things, regularly review and assess the Loan Portfolio and its other assets and source further information from its borrowers regarding security and repayment arrangements;
- (b) communicate with shareholders, debentureholders, borrowers, investors and other parties to obtain and provide information and documentation, particularly in regards to the Loan Portfolio;
- (c) deal with day-to-day issues and providing documentation arising in relation to the investors including TFSA/RRSP requests,,
- (d) respond to requests from the Monitor for documentation and other information relating to the Petitioner's financial affairs, particularly with respect to the status of the Loan Portfolio and the Real Property;
- (e) take steps to recover on the outstanding Loan Portfolio; and
- (f) manage its financial affairs generally, including the Loan Portfolio, the Real Estate and other assets of the Petitioner.

### **Examination of Loan Portfolio**

10. During the current Stay Period, the Petitioner has conducted an extensive review of the Loan Portfolio.

11. In the course of this review, the Petitioner has contacted Borrowers and a large number of third parties to confirm the loan status, security priorities, enforceability, collateral legal claims, and available setoffs for each loan in the Loan Portfolio.

12. The Petitioner has been in contact with the Petitioner's auditor (the "**Auditor**"), to obtain acknowledgments from Borrowers and covenantors confirming their continuing liabilities and the currency of the Petitioner's information.

13. As of the date of this Affidavit, the Petitioner is still waiting to receive further documentation from the Auditor.

14. The Petitioner has been in contact with Borrowers, financial advisors, legal counsel, and other parties to assess and verify loan status and possible issues regarding collectability.

15. Where registered mortgages are not on title, the Petitioner has, among other things, originally executed security documentation including registrable Form B Mortgages for certain real property pledged as security for loans. Copies of those mortgages have been provided to the Monitor and its counsel.

16. The Petitioner is continuing its discussions with Borrowers regarding calculation of debt obligations, timelines for payments, steps taken by the Borrowers and the availability of further security for the Loans.

17. The Petitioner has worked cooperatively with the Monitor to disclose information and documentation regarding the Loan Portfolio as it becomes available and to provide regular updates as to the status of negotiations and Borrowers' repayment proposals. Because some of that information is commercially sensitive, and the Petitioner and borrowers are concerned that public production of materials may compromise realization, I have not, in this Affidavit, provided specific details. However the Petitioner, through its counsel, has endeavored to keep the Monitor apprised of those developments.

18. Based on the Petitioner's management's history and relationship with the Borrowers, I verily believe that management is in the best position to continue these discussions with the Borrowers and the actions described above.

19. With respect to the Loan Portfolio, the Petitioner requires more time to continue the relocation process and discussions with Borrowers to assess the timing of interest and principal payments. A number of the assets either owned by the Petitioner, or which it has security over, do not lend themselves to an expedited sales process and I am of the view that proceeding with an accelerated recovery process in some circumstances is likely to significantly reduce the ultimate recovery to the Petitioner and therefore stakeholders. The Petitioner has been attempting to balance the desire to effect payments to creditors and stakeholders with the ability to secure a higher realisation.

20. In the end, the Petitioner's focus is on ensuring the greatest possible recovery to stakeholders and I remain of the view that if the Petitioner is given more time to realize on the Loan Portfolio that will be achieved.

21. The Petitioner has received updated appraisals, commissions by Borrowers from Garnett Wilson Realty Advisors Ltd., for some of the properties which stand as security for the Loan Portfolio and these have been provided to the Monitor.

### **Enforcement and Collections to Date**

22. As described above, during the current Stay Period, the Petitioner has communicated with Borrowers, auditors and legal counsel to assess the value and enforceability of Loan Portfolio assets, and the means of collection in the best interests of the Petitioner's stakeholders.

23. The Petitioner has communicated with the Borrower Stonewater Motel Ltd. for the purpose of negotiating the listing of certain secured real property and the repayment of that Borrower's loan from the proceeds of sale. The Petitioner has a first mortgage registered against that property.

24. Where Borrowers have been unwilling to engage in meaningful negotiations regarding repayment the Petitioner has taken steps to initiate legal proceedings. For example:

- (a) Foreclosure proceedings have been commenced with respect to four strata lots against which the Petitioner has a registered first mortgage.
- (b) Proceedings are also in the process of being filed against another borrower who has refused to make arrangements with respect to repayment of his loan.

25. In addition to the above formal collection steps, the Petitioner have been dealing with other Borrowers regarding timelines for repayment, valuation of security, and possible alternative security.

26. Where the Petitioner is unable to make progress on the repayment of loans comprised in the Loan Portfolio, the Petitioner intends to continue to utilize enforcement proceedings, where appropriate.

### **Projected cash flow**

27. Attached as **Exhibit "A"** to this Affidavit is a cash flow projection prepared by the Petitioner dated April 6, 2018 (the "**Projection**").

28. As set out in the Projection, the Petitioner predicts approximately \$1,200,000 in loan repayments from April to June 2018, as follows:

- (a) repayment of \$422,000 in April 2018, as partial repayment of a loan which the Petitioner has a first mortgage security against and has commenced foreclosure proceedings;
- (b) repayment of \$400,000 in May 2018 as partial repayment of a loan which the Petitioner has a first mortgage security against and has commenced foreclosure proceedings; and

- (c) repayment of \$400,000 in June 2018 as partial repayment of a loan which the Petitioner has a first mortgage security against and has commenced foreclosure proceedings;

29. Also included in the cash flow projection is a payment of \$35,000 which the Petitioner received today.

30. The Petitioner projects day today cash outflows of approximately \$275,000 from April to June 2018, including management fees, monitors' costs, and legal costs. The balance of the payments out reflected in the cash flow projection relate to DIP financing interest payments and other payments to creditors including Fisgard Capital Corporation which has a registered security and has indicated that it will be proceeding with an order for sale of property owned by the Petitioner at the expiry of the redemption period.

31. I have also had the opportunity to review a document prepared by the Monitor comparing the initial cash flow projections prepared at the time these proceedings were commenced with actual cash flow today. There is a significant variance which is primarily caused by the following factors:

- (a) certain valuable Loan Portfolio assets are tied to development projects that either have not yet completed; and
- (b) a number of the Borrowers and Real Property assets are affected by seasonal forces as a result of which realized station over the winter months is not only difficult, but is likely to secure significantly lower recovery.

### **Post-filing obligations**

32. During the current Stay Period, the Petitioner has continued to meet its post-filing obligations.

33. As set out in the Cash Flow Forecast, the Petitioner expects that it will be able to continue to meet its post-filing obligations but it will require interim financing, which I will address below, to do so.

34. The Petitioner projects cash outflows of approximately \$275,000 from April to June 2018, including management fees, monitors' costs, and legal costs, before deducting DIP financing interest payments.

35. Although the Petitioner income of approximately \$1,200,000 from April to June 2018, the Petitioner will not be able to apply these funds to repayment of its post-filing obligations. Pursuant to an agreement with Fisgard Capital Corporation ("**Fisgard**"), a secured creditor of the Petitioner, the first \$850,000 of these funds will be repaid to Fisgard.

36. The Petitioner projects that DIP financing is required to continue to meet its post-filing obligations from April to June 2018.

## **Need for Debtor-in-Possession Financing**

37. On December 1, 2017, Fisgard Capital Corporation (“**Fisgard**”), a secured creditor of the Petitioner, obtained an Order Nisi (the “**Order Nisi**”) granting Fisgard, among other things, a crystallized fixed charge against certain lands owned by the Petitioner and certain mortgages registered in favour of the Petitioner. Attached as **Exhibit “B”** to this Affidavit is a copy of the Order Nisi.

38. The Order Nisi provides a 6-month redemption period set to expire on May 10, 2018 (the “**Redemption Date**”). If the Petitioner does not redeem I have been advised that Fisgard intends to immediately seek an order for conduct of sale.

39. As discussed in my previous Affidavits, during December 2017 and January 2018, the Petitioner engaged in negotiations for the:

- (a) sale of its real property located at 13562 Lee Road, Garden Bay, British Columbia and legally described as PID: 027-093-387, Lot 184 District Lot 3923 Group 1 New Westminster District Plan BCP30066 to Clayton Jay Satchwell and Sandra Margaret Satchwell (the “**Garden Bay Sale**”); and
- (b) settlement of three of the Loans in the Loan Portfolio.

40. The Court approved of those transactions on January 24, 2018, by order of the Honourable Mr. Justice Pearlman and a portion of the sale proceeds was used to retire the Fisgard debt. Approximately \$850,000 remains due and owing.

41. Pursuant to that Order Nisi, the redemption period is set to expire on May 10, 2018. If the Petitioner has not repaid Fisgard’s secured debt by May 10, 2018, then Fisgard will foreclose on the Petitioner’s properties and liquidate those assets.

42. I verily believe that if Fisgard sells the Petitioner’s assets under foreclosure, those assets will sell for substantially less than their true market value.

43. Given the Petitioner’s need for financing to payout Fisgard’s secured debt and to service the Petitioner’s ongoing cash flow needs in January and February 2018, the Petitioner began contacting possible lenders to determine the availability of interim financing for the Petitioner. The primary intended use for this DIP Financing was, and remains to enable the Petitioner to pay out Fisgard’s secure debt and allow the Petitioner to continue to meet its post-filing obligations so that it can realize on the Loan Portfolio in an orderly fashion and secure the higher highest possible recovery for stakeholders.

44. In or around late January 2018, I was introduced to R.C. Morris & Company S.O. Fund GP III Ltd. (“**RC Morris**”). As a result of my discussions with RC Morris, the Petitioner and RC Morris agreed that RC Morris initially executed a document entitled Offer to Lend on January 25, 2018.

45. Between February and March 2018, the Petitioner and RC Morris continued discussions regarding the terms and scope of proposed financing and the Petitioner kept the Monitor apprised of those discussions and how the advances were intended to be used.

46. As a result of the Petitioner not receiving certain projected loan repayments, for reasons outlined above, the Petitioner's cash flow became further compromised including its ability to repay Fisgard prior to the expiry of the redemption period.

47. Throughout March 2018, based on discussions with the Monitor, I continued to negotiate with RC Morris to try and secure a better offer and address issues and potential concerns raised by the Monitor.

48. The updated interim lending facility proposal provided for meet these DIDS-BC Holdings Ltd. (the "**Interim Lender**") to advance funds.

49. As a result of those negotiations, on March 27, 2018, the Petitioner and the Interim Lender executed an interim lending facility (the "**DIP Agreement**"). Attached as **Exhibit "C"** to this Affidavit is a true copy of the DIP Agreement.

50. Some of the significant terms of the DIP Agreement are as follows:

- (a) The DIP Agreement is subject to court approval, and will be null and void if court approval is not granted by April 11, 2018.
- (b) Total funds of \$2,060,000 (the "**DIP Facility**") are available, to be released in two draws:
  - (i) The first advance will be a lump sum advance of \$1,500,000, to be released shortly after court approval of the DIP is obtained (the "**Interim Financing Advance**").
  - (ii) The second advance will be a lump sum \$500,000 advance, to be drawn when needed and, if required, when court approval is obtained (the "**Subsequent Advance**").
- (c) The term is 24 months. This term may be extended by agreement between the Petitioner and the Interim Lender, and, if required, by court approval.
- (d) The Petitioner is responsible for the Interim Lender's costs. An upfront fee of \$50,000 has already been paid to the Interim Lender as prepaid costs.
- (e) A commitment fee of \$60,000, being 3% of the total loan facility, is immediately payable from the Interim Financing Advance.
- (f) Interest will accrue at 16.5% from the date funds are released. Until the Subsequent Advance is released, a standby fee of 5% interest will accrue.

- (g) The Borrower is required to pay the Interim Lender between 50% and 100% of the sale proceeds of certain Real Estate and Loan Portfolio assets as repayment of the DIP Facility only. No fee or reward will be payable to the Interim Lender upon realization of any of the Petitioner's assets.
- (h) The DIP Facility is guaranteed by myself personally and ACIC Financial Developments Inc. ("AFDI").
- (i) The Interim Lender will have superpriority DIP security over all of the assets of the Petitioner.

51. If the DIP Agreement is approved, the Petitioner intends to utilize the Interim Financing Advance as set out in the Projection produced with this affidavit.

52. I believe that the approval of the DIP Agreement is in the best interests of the Petitioner's stakeholders. It is unlikely that the stakeholders will realize the true value of any of the Petitioner's assets that are sold in foreclosure by Fisgard.

53. I am the sole director of the Petitioner, and the sole director of AFDI, the manager of the Petitioner. I consent to the Interim Lender obtaining a charge in priority to the Directors' Charge established by section 22 of the Initial Order, both personally and on behalf of AFDI.

#### **Steps Taken to Prepare a Plan**

54. Since the March 2018 Order, the Petitioner has worked with the Monitor to review and assess its financial affairs, and to begin formulating a Plan that will provide the most value for stakeholders. Unfortunately that process has been somewhat delayed, by a variety of factors including the Petitioner having to retain new counsel.

55. As stated in the Petition and in my previous Affidavits, the Petitioner's CCAA proceedings will likely involve structured recovery and potentially a sale or partial sale of the Loan Portfolio and Real Property to pay its stakeholders. I verily believe that an extended timeline to recover on the Loans and more time to allow the Petitioner to achieve a greater value for its stakeholders when it realizes on its assets.

56. The Petitioner also requires further time to develop a claims order process for consideration by the Court and develop a Plan to present to the Court and ultimately creditors.

57. Without the granting of an extended stay the ability of the Petitioner to recover in an orderly fashion, and achieve the greatest possible recovery for stakeholders, will be significantly compromised.

58. The Petitioner will continue to consider ways to reduce its costs and overhead as recommended by the Monitor.

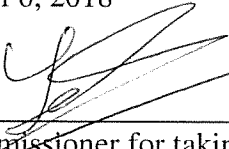
59. I verily believe that the Petitioner has acted in, and is continuing to act in, good faith and with due diligence.



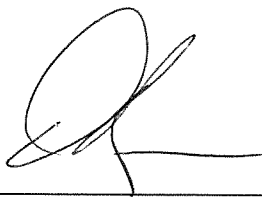
60. I verily believe that the Petitioner will be able to develop a Plan to present to its creditors if an extension of the Stay Period is granted.

61. I swear this Affidavit in support of the Petitioner's application to extend the Stay Period to June 11, 2018, and approve the DIP Agreement.

AFFIRMED BEFORE ME  
at Vancouver, British Columbia,  
on April 6, 2018

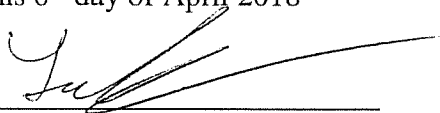
  
\_\_\_\_\_  
A Commissioner for taking Affidavits for  
British Columbia

)  
)  
)  
)  
)  
)  
)  
)  
)  
)

  
\_\_\_\_\_  
**DONALD BERGMAN**

**LIAM OSTER**  
*Barrister & Solicitor*  
**WATSON GOEPEL LLP**  
1200 - 1075 W. Georgia Street  
Vancouver, B.C. V6E 3C9  
Tel: 604-688-1301 Fax: 604-688-8193

This is Exhibit "A" referred to in the  
affidavit of Donald Bergman  
sworn before me at Vancouver, BC  
this 6<sup>th</sup> day of April 2018



---

A Commissioner for taking Affidavits  
for British Columbia

| Cash Flow Forecast                           | Apr             | May           | Jun           |
|--|-----------------|---------------|---------------|
| <b>OPENING BALANCE: CASH</b>                 | \$ 63,521.50    | \$ 388,316.50 | \$ 485,503.50 |
| CASH PROVIDED BY:                            |                 |               |               |
| Mortgage Interest Payments                   | \$ 2,358.00     |               |               |
| Mortgage Payouts / Paydowns                  | \$ 457,542.00   | \$ 400,000.00 | \$ 400,000.00 |
| DIP Financing                                | \$ 1,500,000.00 |               |               |
|  | \$ 1,959,900.00 | \$ 400,000.00 | \$ 400,000.00 |
| CASH USED IN:                                |                 |               |               |
| Interest to RC Morris                        |                 | \$ 22,708.00  | \$ 22,708.00  |
| Management Fees                              | \$ 40,000.00    | \$ 40,000.00  | \$ 40,000.00  |
| Bank Charges                                 | \$ 105.00       | \$ 105.00     | \$ 105.00     |
| Accounting Costs                             | \$ -            | \$ -          | \$ -          |
| RC Morris                                    |                 |               |               |
| Monitor Fees                                 | \$ 25,000.00    | \$ 20,000.00  | \$ 20,000.00  |
| Legal Fees                                   | \$ 50,000.00    | \$ 20,000.00  | \$ 20,000.00  |
| Payment to Van Maren Financial               |                 |               |               |
| Payment to Fisgard Capital                   | \$ 850,000.00   |               |               |
| Payment to Unsecured Creditors               | \$ 670,000.00   |               |               |
| Payment to RC Morris                         |                 | \$ 200,000.00 | \$ 200,000.00 |
|  | \$ 1,635,105.00 | \$ 302,813.00 | \$ 302,813.00 |
| <b>Estimated Net Cash Inflows (Outflows)</b> | \$ 324,795.00   | \$ 97,187.00  | \$ 97,187.00  |
| <b>Estimated Opening Cash Position</b>       | \$ 63,521.50    | \$ 388,316.50 | \$ 485,503.50 |
| <b>Estimated Closing Cash Position</b>       | \$ 388,316.50   | \$ 485,503.50 | \$ 582,690.50 |

**Breakdown**

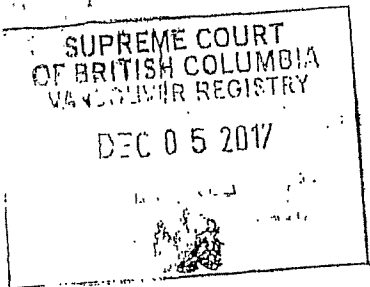
|                 |  |                               |                                |
|-----------------|--|-------------------------------|--------------------------------|
| <b>Loan</b>     | Payments to come from Chisa Holdings and Gross Sale of 1 Elliot Unit @ \$424,900 | Expect Sales of 1 Elliot Unit | Expect Sales of 2 Elliot Units |
| <b>Interest</b> | Int. from Chisa Holdings   |                               |                                |

This is Exhibit "B" referred to in the  
affidavit of Donald Bergman  
sworn before me at Vancouver, BC  
this 6<sup>th</sup> day of April 2018



---

A Commissioner for taking Affidavits  
for British Columbia



No. H-170363  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

FISGARD CAPITAL CORPORATION

Petitioner

AND:

ALL CANADIAN INVESTMENT CORPORATION  
VAN MAREN FINANCIAL LTD.

Respondents

**CONSENT ORDER  
(ORDER NISI OF FORECLOSURE)**

BEFORE A MASTER OF THE )  
 )  
COURT )

DEC 01 2017

ON THE APPLICATION of the Petitioner, FISGARD CAPITAL CORPORATION,  
without a hearing and by consent:

THIS COURT DECLARES AND ORDERS THAT:

1. The mortgage dated November 30, 2015 made between the Respondent, ALL CANADIAN INVESTMENT CORPORATION, as Mortgagor and the Petitioner, FISGARD CAPITAL CORPORATION, as Mortgagee and registered in the Lower Mainland Land Title Office, in the Province of British Columbia, on December 3, 2015 under Number CA4854128 and renewed by way of renewal letter dated December 19, 2016 (together the "Mortgage"), is a mortgage charging the following lands:

- 2 -

North Shore – Squamish Valley Assessment Area  
Pender Harbour Fire Protection District

Parcel Identifier: 026-192-993

Lot 4 and an undivided 3/12th share in Lot 7, District Lot 3923 Group 1 New Westminster District Plan BCP15562

Parcel Identifier: 026-193-001

Lot 5 and an undivided 3/12th share in Lot 7, District Lot 3923 Group 1 New Westminster District Plan BCP15562

Parcel Identifier: 026-193-019

Lot 6 and an undivided 3/12th share in Lot 7, District Lot 3923 Group 1 New Westminster District Plan BCP15562

(collectively, the "Lands")

in priority to the interests therein or claims thereto of the Respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

2. The general security agreement dated December 1, 2015 made between the Respondent, ALL CANADIAN INVESTMENT CORPORATION, as Debtor; and the Petitioner, FISGARD CAPITAL CORPORATION, as the Secured Party and registered in the Personal Property Registry, in the Province of British Columbia, on December 3, 2015, under Base Registration Number 9916281 (the "GSA") is an agreement charging all of the said Respondent's present and after acquired personal property, assets, undertakings, accounts, inventory, immovable and leasehold property and all proceeds therefrom (hereinafter called the "Property") to the Petitioner in priority to the interests therein or claims thereto of the Respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

3. The floating charge on land created by the GSA has crystallized and became a fixed charge on the following lands on September 19, 2017 under CA6308640:

- 3 -

- 027-093-387 Lot 184 District Lot 3923 Group 1 NWD Plan BCP30066 as to the fee simple interest owned by the Respondent, All Canadian Investment Corporation;
- 026-169-436 Lot 137 District Lot 3923 Group 1 NWD Plan BCP15556 as to the fee simple interest owned by the Respondent, All Canadian Investment Corporation;
- 024-657-433 Lot D District Lots 3970 and 3971 Group 1 NWD Plan LMP44457 as to the mortgage and assignment of rents CA1013352 and CA1013353 owned by the Respondent, All Canadian Investment Corporation;
- 007-710-704 Lot 36 District Lot 3989 Plan 15216 as to the mortgage and assignment of rents CA1013358 and CA1013359 owned by the Respondent, All Canadian Investment Corporation;
- 030-121-787 Strata Lot 36 Block 19 NWD Strata Plan EPS4196 as to the mortgage and assignment of rents CA3154208 (modified by CA4229497 and CA4318776) and CA3154209 (modified by CA4229498) owned by the Respondent, All Canadian Investment Corporation;
- 030-122-686 Strata Lot 126 Block 19 NWD Strata Plan EPS4196 as to the mortgage and assignment of rents CA3154208 (modified by CA4229497 and CA4318776) and CA3154209 (modified by CA4229498) owned by the Respondent, All Canadian Investment Corporation;
- 030-122-651 Strata Lot 123 Block 19 NWD Strata Plan EPS4196 as to the mortgage and assignment of rents CA3154208 (modified by CA4229497 and CA4318776) and CA3154209 (modified by CA4229498) owned by the Respondent, All Canadian Investment Corporation;

- 4 -

030-122-406            Strata Lot 98 Block 19 NWD Strata Plan EPS4196 as to the mortgage and assignment of rents CA3154208 (modified by CA4229497 and CA4318776) and CA3154209 (modified by CA4229498) owned by the Respondent, All Canadian Investment Corporation;

(collectively, the "GSA Lands")

in priority to the interests of the Respondents, except the Respondent, VAN MAREN FINANCIAL LTD. as to:

- a) Mortgage and Assignment of Rents CA5479844 and CA5879845 of Mortgage and Assignment of Rents CA1013358 and CA1013359;
- b) Mortgage and Assignment of Rents CA5479844 and CA5879845 of Mortgage and Assignment of Rents CA1013352 and CA1013353;
- c) Mortgage and Assignment of Rents CA 5479890 and CA5879891 of PID 026-169-436, Lot 137 District Lot 3923 Group 1 NWD Plan BCP15556;

and their respective heirs, executors, administrators, successors and assigns and any person claiming by, through, or under them.

4. The Respondent, ALL CANADIAN INVESTMENT CORPORATION, has made default under the Mortgage and the GSA (together the "Security") and the amount of money due and owing under the Security and the amount of money required to redeem the Lands, GSA Lands and Property is the sum of \$1,308,193.81 as of November 10, 2017 together with interest at the current rate of 8.50% per annum, compounded monthly, from and including November 11, 2017 to the day of payment, to accrue until the Lands, GSA Lands and Property are redeemed or sold, whether or not redemption or sale occurs prior to or after the last date set for redemption.

5. The last date for redemption be MAY 10, 2018.

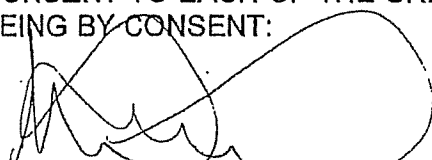


- 5 -

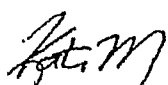
6. The Respondent, ALL CANADIAN INVESTMENT CORPORATION, pay to the Petitioner the sum of \$1,308,193.81 as of November 10, 2017, together with the Petitioner's costs of this proceeding at Scale B.
7. Upon the Respondents, or any of them, paying into Court to the credit of this proceeding at the 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia, or paying to the solicitor of record for the Petitioner or, if no such solicitor exists then paying to the Petitioner, the amount required to redeem the Lands, GSA Lands and Property as aforesaid, together with the costs of this proceeding on or before pronouncement of either an Order Absolute of Foreclosure or an Order confirming the sale of the Lands, GSA Lands and Property, the Petitioner shall reconvey the Lands, GSA Lands and Property free and clear of all encumbrances in favour of it or any person claiming by, through or under it and shall deliver up, upon oath if required, all deeds, titles and documents in its custody, possession or power relating thereto to the Respondents so paying or to whom they shall appoint.
8. If the Lands, GSA Lands and Property not be redeemed, the Petitioner shall be at liberty to apply for an Order Absolute of Foreclosure and upon pronouncement of the Order Absolute of Foreclosure the Respondents and all persons claiming by, through or under them shall henceforth stand absolutely debarred and foreclosed of and from all right, title, interest and equity of redemption in and to the Lands, GSA Lands and Property and all monies paid under the Security shall become the property of the Petitioner free from any right of the Respondents and that thereupon the Petitioner shall recover vacant possession of the Lands, GSA Lands and Property.
9. The Petitioner be granted liberty to apply to this Court for a further summary accounting of any amounts which become due to the Petitioner for interest, taxes, arrears of taxes, insurance premiums, costs, charges, expenses or otherwise since the date of pronouncement of this Order.
10. All other relief sought in the Petition be adjourned generally.

11. The Petitioner be entitled to the costs of the proceeding to date at Scale B, and that the scale of any further costs shall be determined by the Court, and the costs of the proceeding to date and any further costs so ordered shall be added to the amount required to redeem the Lands, GSA Lands and Property.

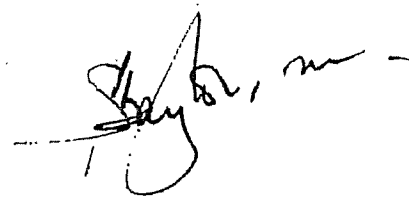
THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Solicitor for the Petitioner, FISGARD CAPITAL CORPORATION, Scott H. Stephens



Solicitor for the Respondent, ALL CANADIAN INVESTMENT CORPORATION, Katie G. Mak



BY THE COURT

Solicitor for the Respondent, VAN MAREN FINANCIAL LTD., Geoffrey H. Dabbs

  
DISTRICT REGISTRAR

- 6 -

11. The Petitioner be entitled to the costs of the proceeding to date at Scale B, and that the scale of any further costs shall be determined by the Court, and the costs of the proceeding to date and any further costs so ordered shall be added to the amount required to redeem the Lands, GSA Lands and Property.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Solicitor for the Petitioner, FISGARD CAPITAL CORPORATION, Scott H. Stephens

Solicitor for the Respondent, ALL CANADIAN INVESTMENT CORPORATION, Katie G. Mak

  
Solicitor for the Respondent, VAN MAREN FINANCIAL LTD., Geoffrey H. Dabbs

BY THE COURT

DISTRICT REGISTRAR

No. H-170363  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

FISGARD CAPITAL CORPORATION

Petitioner

AND:

ALL CANADIAN INVESTMENT CORPORATION  
VAN MAREN FINANCIAL LTD.

Respondents

**CONSENT ORDER  
(ORDER NISI OF FORECLOSURE)**



146900 8706218-4  
Nov 23 2017

Client: \_\_\_\_\_

This is Exhibit "C" referred to in the  
affidavit of Donald Bergman  
sworn before me at Vancouver, BC  
this 6<sup>th</sup> day of April 2018

A handwritten signature in black ink, appearing to be 'Y. [unclear]', written over a horizontal line.

A Commissioner for taking Affidavits  
for British Columbia

## INTERIM LENDING FACILITY AGREEMENT

THIS AGREEMENT is dated for reference this 27<sup>th</sup> day of March, 2018.

**BETWEEN:**

**DIDS-BC Holdings Ltd. (the "Interim Lender")**

**AND:**

**All Canadian Investment Corp. (the "Borrower")**

**WHEREAS:**

- A. Pursuant to an order (the "**Initial Order**") of the Supreme Court of British Columbia (the "**Court**") made on November 10, 2017 (the "**Filing Date**") in Supreme Court of British Columbia Action No. S1710393, Vancouver Registry (the "**CCAA Proceedings**"), the Borrower obtained protection from its creditors pursuant to the provisions of the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**");
- B. Pursuant to the Initial Order, and as extended by subsequent orders of the Court made on December 5, 2017 and March 7, 2018, among other things, the Court granted a stay of all proceedings against the Borrower until April 11, 2018 (including as subsequently extended by further order of the Court, the "**Stay of Proceedings**"); and
- C. The Borrower has requested and the Interim Lender has agreed to provide the Borrower with interim financing to fund certain of the Borrower's cash requirements during the pendency of the CCAA Proceedings in accordance with the terms and conditions set out herein.

**NOW THEREFORE**, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

|    |                                      |   |
|----|--------------------------------------|---|
| 1. | INTERIM FACILITY AND MAXIMUM AMOUNT: | The Interim Lender shall provide to the Borrower a secured super-priority debtor-in-possession non-revolving credit facility (the " <b>Interim Lending Facility</b> ") of up to two million dollars (\$2,000,000) plus the Commitment Fee (as defined below) of \$60,000 for a maximum principal amount of two million sixty thousand dollars (\$2,060,000) (the " <b>Maximum Interim Financing Credit Amount</b> "). |
| 2. | CLOSING DATE OF INITIAL ADVANCE      | The Borrower shall make an initial draw on the Interim Lending Facility on the day following the date on which the conditions precedent in section 4 below have been satisfied (the " <b>Closing Date</b> "), provided that if the conditions precedent in section 4 below have not been satisfied by April 11, 2018, or such later   |

- 2 -

|    |            |   |
|----|------------|---|
|    |            | dated as the Interim Lender may in its sole discretion agree to in writing, the Interim Lending Facility shall be terminated and the Interim Lender shall be under no obligation to make any Interim Financing Advance (as defined below).  |
| 3. | REPAYMENT: | <p>The aggregate principal amount owing under the Interim Lending Facility, all accrued and unpaid interest, prepayment obligations, if applicable, and all fees and expenses incurred by the Interim Lender in connection with the Interim Lending Facility (the "Interim Financing Obligations") shall be due and payable on the earlier of:</p> <ul style="list-style-type: none"> <li>(a) the date that is twenty four (24) months after the Closing Date;</li> <li>(b) the date of the termination of the Stay of Proceedings without the written consent of the Interim Lender, which consent shall be within the sole discretion of the Interim Lender;</li> <li>(c) the date on which the Stay of Proceedings is lifted, in whole or in part, in a manner that is or the effect of which is adverse to the Interim Lender as determined by the Interim Lender in its sole discretion;</li> <li>(d) the date on which (i) an assignment in bankruptcy is made by the Borrower under the <i>Bankruptcy and Insolvency Act</i> (Canada) (the "BIA"), (ii) a bankruptcy order is issued in respect of the Borrower pursuant to the BIA, or (iii) a receiver or receiver and manager is appointed by any court of competent jurisdiction in respect of the Borrower or any of its assets, undertakings or properties, in each case without the prior written consent of the Interim Lender; or</li> <li>(e) the date on which the Interim Lender demands repayment of the Interim Lending Facility after the occurrence of an Event of Default (as defined below)</li> </ul> <p>(such earliest date, the "Maturity Date")</p> <p>The Maturity Date may be extended at the request of the Borrower and with the prior written consent of the Interim Lender, in its sole discretion, for such period and on such terms and conditions as the Borrower and the Interim Lender may agree, subject to approval from the Court if so required.</p> <p>The commitment in respect of the Interim Lending Facility shall</p> |

- 3 -

|  |  |
|--|--|
|  | <p>expire on the Maturity Date and all Interim Financing Obligations shall be repaid in full no later than the Maturity Date, without the Interim Lender being required to make further demand upon the Borrower or to give notice that the Interim Lending Facility has expired and/or that the Interim Financing Obligations are due and payable.</p> <p>All payments received by the Interim Lender shall be applied first to any fees due hereunder, then to prepayment obligations, if applicable, then to accrued and unpaid interest and then after all such fees and interest are brought current, to principal.</p>   |
| <p>4. AVAILABILITY UNDER INTERIM LENDING FACILITY:</p> | <p>The Interim Lending Facility shall be advanced (each an "Interim Financing Advance") in two advances, an initial advance of \$1,500,000 and subsequent advance of \$500,000 (the "Subsequent Advance"), by submission to the Interim Lender of a drawdown request in the form attached as Schedule "A" hereto (the "Drawdown Request") not less than three business days prior to the requested advance date, unless otherwise agreed to by the Interim Lender. Availability under the Interim Lending Facility is limited to the Maximum Interim Financing Amount and is subject to the other conditions described herein.</p> <p>The following conditions precedent shall be satisfied, or waived by the Interim Lender in its sole discretion, prior to an Interim Financing Advance hereunder:</p> <ul style="list-style-type: none"> <li>(a) completion of the Interim Lender's due diligence, which must be satisfactory to the Interim Lender;</li> <li>(b) execution and delivery of this Agreement and all documentation relating to the Interim Lending Facility, including, without limitation, all security documents required hereunder;</li> <li>(c) the Borrower's application materials in connection with its application for an order (the "Interim Lending Approval Order"): (i) approving and authorizing the Borrower to enter into this Interim Lending Facility Agreement and borrow funds under the Interim Lending Facility; (ii) authorizing and directing the Borrower to execute and carry out the terms of this Agreement and all agreements contemplated herein; and (iii) creating a first-ranking charge, subject only to the Administration Charge (as defined below) and any other encumbrances approved in writing by the Interim Lender (the "Priority Charges") over all of the assets of the Borrower in favour of the</li> </ul> |



- 4 -

|  |   |
|--|---|
|  | <p>Interim Lender as security for the payment of the Interim Financing Obligations; (the "Interim Lender's Charge") shall be satisfactory to the Interim Lender, in its sole discretion;</p> <p>(d) the application for the Interim Lending Approval Order shall be brought on notice to the service list in the CCAA Proceedings and such other parties as may be identified by the Interim Lender, in its sole discretion, including any persons who have or may assert a claim or encumbrance in priority to the Interim Lender's Charge, as determined by the Interim Lender in its sole discretion, including all persons with registrations under the <i>Land Title Act</i> (British Columbia), the <i>Personal Property Security Act</i> (British Columbia), all relevant taxing authorities, and all persons who have or may assert a claim against any Collateral (as defined below) in priority to the Interim Lender's Charge;</p> <p>(e) the Court shall have issued the Interim Lending Approval Order in form and substance satisfactory to the Interim Lender in its sole discretion, by no later than April 11, 2018, and all applicable appeal periods related to the Interim Lending Approval Order shall have expired and any appeal or motion for leave to appeal, shall have been finally disposed of with no further right of appeal or leave to appeal;</p> <p>(f) no application for leave to appeal, notice of appeal or an appeal in respect of the Interim Financing Approval Order or any other order of the Court in the CCAA Proceedings, the outcome of which may, as determined by the Interim Lender in its sole discretion, adversely affect the Interim Lender shall have been made or threatened;</p> <p>(g) no application to amend, vary or stay the Interim Financing Approval Order or any other order of the Court in the CCAA Proceedings in a manner which may, as determined by the Interim Lender in its sole discretion, adversely affect the Interim Lender shall have been made or threatened;</p> <p>(h) there shall be no encumbrances on any of the Collateral ranking in priority to or <i>pari passu</i> with the Interim Lender's Charge other than as permitted by the terms hereof;</p> <p>(i) the Interim Lender shall have received evidence satisfactory to it that the bank account designated by the Borrower in which Interim Financing Advance will be</p> |
|--|---|

- 5 -

|  |   |
|--|---|
|  | <p>made is not a blocked account or subject to one or more blocked account agreements;</p> <p>(j) the Borrower shall have paid or will pay from the proceeds of the first Interim Financing Advance all fees and other amounts payable to the Interim Lender hereunder, including, without limitation, the Commitment Fee;</p> <p>(k) the Interim Lender shall have received title insurance relating to all real property owned by the Borrower, or an opinion from legal counsel to the Borrower, addressed to the Interim Lender, confirming the Borrower has good and marketable title to all real property owned by the Borrower, the first ranking charge of Interim Lender thereon, subject to the Priority Charge (as defined below), in each case in form and substance satisfactory to the Interim Lender in its sole discretion;</p> <p>(l) delivery to the Interim Lender (with a copy to the Monitor) of the Drawdown Request, executed by an officer on behalf of the Borrower;</p> <p>(m) the Interim Lender shall have been named as an additional insured and loss payee, as applicable, on the Borrower's insurance policies, including casualty insurance and insurance with respect to any real property Collateral;</p> <p>(n) no Material Adverse Effect (as defined herein below) shall have occurred after the date of the Interim Financing Approval Order;</p> <p>(o) there shall have been no breach of any covenant or other obligation of the Borrower under or in connection with this Agreement;</p> <p>(p) there is no Event of Default (nor any event which could with the giving of notice or lapse of time or both constitute an Event of Default) which has occurred and is continuing, nor will any Event of Default (nor any event which could with the giving of notice or lapse of time or both constitute an Event of Default) occur as a result of the Interim Financing Advance;</p> <p>(q) there are no pending appeals, injunctions or other legal impediments relating to the Interim Lending Facility, or pending litigation seeking to restrain or prohibit the Interim Lending Facility;</p> |
|--|---|

- 6 -

|    |                  |   |
|----|------------------|---|
|    |                  | <p>(r) discharge of the financing statement registered by Cambridge Mortgage Investment Corporation against the Manager (as defined below) in the British Columbia Personal Property Registry; and</p> <p>(s) each of the representations and warranties made in this Agreement shall be true and correct as of the date made or deemed made.</p>   |
| 5. | USE OF PROCEEDS: | <p>The Interim Lending Facility may only be used by the Borrower to pay:</p> <p>(a) operating expenses;</p> <p>(b) fees and expenses associated with the Interim Lending Facility;</p> <p>(c) Fisgard Capital Corporation to effect the discharge of its security, judgment and other indebtedness; and</p> <p>(d) such other expenditures or repayment of indebtedness as the Interim Lender shall have consented to in writing in its sole discretion.</p> <p>The proceeds of the Interim Financing Advance shall be paid into an existing bank account of the Borrower's without the prior written approval of the Monitor, which bank account the Borrower acknowledges, agrees and confirms is not and will not be a blocked account or subject to one or more blocked account agreements.</p>   |
| 6. | SECURITY:        | <p>To secure the payment and performance by the Borrower under this Agreement and all ancillary documents related thereto including, without limitation, all of the Interim Financing Obligations, the Borrower hereby grants to the Interim Lender a fully perfected security interest, charge and mortgage in and on all of the existing and after-acquired real and personal, tangible and intangible, property, assets and undertaking of the Borrower, including, without limitation, all cash, cash equivalents, bank accounts, accounts, other receivables, chattel paper, contract rights, inventory, instruments, documents, securities (whether or not marketable), equipment, fixtures, real property interests, franchise rights, patents, trade names, trademarks, copyrights, intellectual property, intangibles, capital stock, supporting obligations, letter of credit rights, commercial tort claims, causes of action and all substitutions, accessions and proceeds of the foregoing, wherever located, including insurance or other proceeds</p> |

- 7 -

|   |  |
|---|--|
|   | <p>thereof (collectively, the "Collateral").</p> <p>In addition to the above and the Interim Lender's Charge, the Borrower shall cause the following security to be granted to the Interim Lender:</p> <p>(a) an unlimited guarantee provided by Don Bergman;</p> <p>(b) an unlimited guarantee provided by ACIC Financial Development Inc. (the "Manager");</p> <p>(c) a general security agreement granted by the Manager creating a first charge on all of Manager's present and after-acquired personal property other than two motor vehicle leases;</p> <p>(d) mortgages of all real property owned, legally or beneficially, by the Borrower;</p> <p>(e) assignment of all mortgages held by the Borrower to be held by the Interim Lender; and</p> <p>(f) such other documents and agreements, including priority agreements, as the Interim Lender may require.</p> |
| 7. PERMITTED ENCUMBRANCES AND PRIORITY: | <p>All Collateral will be free and clear of all liens, encumbrances and claims other than the Interim Lender's Charge, except for (a) the court ordered administration charge provided for by the Initial Order to secure payment of professional fees for Borrower's counsel, the Monitor and Monitor's counsel in an aggregate amount not to exceed \$250,000 (the "Administration Charge"), (b) any other Priority Charges; and (c) any other liens or encumbrances which are acceptable to the Interim Lender in its sole discretion and confirmed in writing (collectively, the "Permitted Encumbrances").</p>  |
| 8. INTEREST:                            | <p>The outstanding principal amount of the Interim Financing Advance shall bear interest at the rate of sixteen and one half (16.5%) per annum, calculated daily and payable monthly in arrears on the last day of each calendar month commencing on April 30, 2018. After the Maturity Date, the aforesaid interest rate of sixteen and one half (16.5%) per annum shall be increased by an additional four and one half (4.5%) per annum.</p> <p>Interest on the Interim Financing Advance shall accrue on the basis of a year of three hundred and sixty-five (365) days and will be calculated, payable and compounded monthly on the last business day of each month. For the purposes of the <i>Interest Act</i> (Canada), the annual rates of interest or fees to which the rates</p>   |

- 8 -

|    |                 |  |
|----|-----------------|--|
|    |                 | <p>calculated in accordance with this Interim Lending Facility are equivalent to the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by three hundred and sixty-five (365) or three hundred and sixty-six (366), as applicable.</p> <p>If any provision of this Agreement or any ancillary document in connection with this Agreement would obligate the Borrower to make any payment of interest or other amount payable to the Interim Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Interim Lender of interest at a criminal rate (as such terms are construed under the <i>Criminal Code</i> (Canada)) then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Interim Lender of interest at a criminal rate and any such amounts actually paid by the Borrower in excess of the adjusted amount shall be forthwith refunded to the Borrower.</p> |
| 9. | COMMITMENT FEE: | The Borrower will pay to the Interim Lender a commitment fee in the total aggregate amount of sixty thousand dollars (\$60,000) (the "Commitment Fee"), which is equal to three percent (3%) of the Maximum Interim Financing Amount. The Commitment Fee is fully earned and shall be payable at the time the Interim Lending Approval Order is made and is non-refundable, and shall be paid at the time the Interim Financing Advance is made.   |
| 10 | STANDBY FEE:    | The Borrower shall pay to the DIP Lender a standby fee of 5% per annum on the amount of the Subsequent Advance (being \$500,000), calculated daily commencing on the date the Interim Lending Approval Order is made and payable monthly in arrears on the last business day of each month commencing April 30, 2018   |
| 11 | DEFAULT FEE:    | If an Event of Default exists on the last day of any calendar month, the Borrower shall pay to the Interim Lender a default fee equal to one half a percent (0.5%) of the then outstanding Interim Financing Obligations, calculated daily commencing on the last day of the month when the Event of Default exists and payable monthly in arrears on the last business day of each month thereafter.  |
| 12 | PREPAYMENT:     | The Borrower shall not be entitled to prepay the Interim Lending Facility or any portion thereof for the first nine months after the Closing Date. Thereafter the Borrower may prepay the outstanding  |

- 9 -

|    |                           |  |
|----|---------------------------|--|
|    |                           | <p>principal amount of the Interim Financing Facility, in whole or in part, together with accrued interest and fees relating to such prepayment to the date of the prepayment.</p> <p>Amounts prepaid may not be re-advanced. For greater certainty, these provisions apply solely to voluntary prepayments by the Borrower, and do not apply to any payments or proceeds received by the Interim Lender as a result of a demand or enforcement by the Interim Lender.</p>   |
| 13 | MANDATORY REPAYMENTS:     | <p>Subject to any order of the Court and subject to the Priority Charges, the Borrower is required to pay:</p> <p>100% of the proceeds arising from:</p> <ul style="list-style-type: none"> <li>(a) the disposition of the three waterfront lots known as the Daniel Point Lots located in Pender Harbour, BC; and</li> <li>(b) the mortgage of the property known as the Stonewater Motel located in Pender Harbour, BC; and</li> </ul> <p>50% of the proceeds arising from:</p> <ul style="list-style-type: none"> <li>(c) any disposition of any other assets or other transaction involving all or any part of the Collateral including, without limitation, any refinancing or sale and lease back agreement; and</li> <li>(d) insurance proceeds in respect of any of the Collateral,</li> </ul> <p>as repayment of the Interim Financing Obligations.</p> <p>The Borrower shall immediately make any payments required to eliminate any amount by which the principal amount outstanding at any time under the Interim Lending Facility exceeds the Maximum Interim Financing Amount.</p> <p>Amounts repaid may not be re-advanced.</p> |
| 14 | ADDITIONAL DOCUMENTATION: | <p>All documentation relating to the Interim Lending Facility shall be in form and substance satisfactory to the Interim Lender. The Borrower shall execute and deliver to the Interim Lender such documents and assurances as the Interim Lender may request to give full force and effect to this Agreement. At the option of the Interim Lender, the Borrower shall execute and deliver such acknowledgments, mortgages, security agreements, charges and other ancillary documents as the Interim Lender may from time to</p>  |

- 10 -

|                                     |   |
|-------------------------------------|---|
|                                     | time request.   |
| 15. REPRESENTATIONS AND WARRANTIES: | <p>The Borrower represents and warrants to the Interim Lender, upon which the Interim Lender relies in entering into this Agreement, that:</p> <ul style="list-style-type: none"> <li>(a) the Borrower is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary;</li> <li>(b) the Borrower has all requisite corporate power and authority to (i) own and operate its properties and assets and to develop, own and operate its business and (ii) to enter into and perform its obligations under this Agreement;</li> <li>(c) subject to the granting of the Interim Financing Approval Order, the execution and delivery of this Agreement by the Borrower and the performance by the Borrower of its obligations hereunder have been duly authorized by all necessary corporate action and no authorization under any applicable law, and no registration, qualification, designation, declaration or filing with any Governmental Authority, is or was necessary therefor, other than filings which may be made to register or otherwise record the Interim Lender's Charge. "Governmental Authority" means any domestic or foreign (i) federal, provincial, state, municipal, local or other government, (ii) any governmental or quasi-governmental authority of any nature, including any governmental ministry, agency, branch, department, court, commission, board, tribunal, bureau or instrumentality, or (iii) any body exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power of any nature;</li> <li>(d) this Agreement has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally and (ii) the discretion that a court may exercise in the granting of equitable remedies;</li> <li>(e) (i) the Collateral is unconditionally owned by the Borrower</li> </ul> |

- 11 -

|  |   |
|--|---|
|  | <p>and is only located at the locations disclosed to the Interim Lender, (ii) the Collateral has not been sold, leased or otherwise disposed of other than inventory in the ordinary course of business, with the prior written consent of the Interim Lender or by Court order, and (iii) subject to the granting of the Initial Order and the Interim Lending Approval Order, the Collateral will not be subject to any rights of any person in priority to or <i>pari passu</i> with the Interim Lender's Charge other than the Priority Charges;</p> <p>(f) the execution and delivery of this Agreement by the Borrower and the performance by the Borrower of its obligations hereunder and compliance with the terms, conditions and provisions hereof, will not conflict with or result in a breach of (i) its constituting documents or by-laws; (ii) the material contracts to which it is party, other than to the extent that the effect of such conflict or breach is stayed by the Initial Order (as extended or amended from time to time) and such conflict or breach could not reasonably be expected, having regard to the stay in the Initial Order, to have a Material Adverse Effect, or (iii) any applicable law;</p> <p>(g) all statements (whether financial or otherwise), information, reports, budgets, forecasts and projections made available by the Borrower or anyone on its behalf to the Interim Lender are true, complete and accurate in all respects and do not omit any information necessary to make them true, complete and accurate in all material respects;</p> <p>(h) the business operations of the Borrower have been and, subject to the provisions of the Initial Order and all other applicable orders of the Court made in the CCAA Proceedings, will continue to be conducted in compliance with all laws of each jurisdiction in which business has been or is being carried on;</p> <p>(i) the Borrower has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect. No proceedings have been commenced or threatened to revoke or amend any of such licenses or permits;</p> <p>(j) the Borrower is not aware of any person with a secured claim against the Borrower or the Collateral that would rank in priority to or <i>pari passu</i> with the Interim Lender's Charge, other than the Priority Charges;</p> |
|--|---|



- 12 -

|  |  |
|--|--|
|  | <p>(k) all representations and warranties made by the Borrower in this Agreement are true and correct as of the date such representations and warranties are made or deemed to be made;</p> <p>(l) the Borrower has filed or caused to be filed and, subject to the provisions of the Initial Order, will file or cause to be filed all tax returns and reports which are required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except for taxes that are being contested in good faith by appropriate proceedings and for which adequate cash reserves are being maintained;</p> <p>(m) there are no actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or Governmental Authority or by any other person pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower that are not stayed by the Initial Order (as extended or amended from time to time) and which, having regard to such stay, could reasonably be expected to have a Material Adverse Effect;</p> <p>(n) (i) the Borrower is and has been in material compliance with all applicable environmental laws, including obtaining, maintaining and complying with all permits required by any applicable environmental law, (ii) the Borrower is not party to, and no real property currently or previously owned, leased or otherwise occupied by or for the Borrower is subject to or the subject of, any contractual obligation or any pending or threatened order, action, investigation, suit, proceeding, audit, claim, demand, dispute or notice of violation or of potential liability or similar notice under or pursuant to any environmental law, (iii) no encumbrance in favour of any Governmental Authority securing, in whole or in part, environmental liabilities has attached to any property of the Borrower and no facts, circumstances or conditions exist that could reasonably be expected to result in any such encumbrance attaching to any such property, (iv) the Borrower has not caused or suffered to occur a release of any hazardous substances or conditions creating any potential for such a release at, to or from any real property, (v) the Borrower has not engaged in operations that, and no facts, circumstances or conditions exist that, in the aggregate, would have a reasonable likelihood of resulting in material environmental liabilities, and (vi) the Borrower has made available to the Interim Lender copies of all existing environmental reports, reviews and audits and all</p> |
|--|--|

- 13 -

|    |                        |   |
|----|------------------------|---|
|    |                        | <p>documents pertaining to actual or potential environmental liabilities, in each case to the extent such reports, reviews, audits and documents are in its possession, custody or control;</p> <p>(o) the Borrower maintains insurance policies and coverage which (i) is sufficient for compliance with law and all material agreements to which the Borrower is a party and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of the Borrower; and</p> <p>(p) all factual information provided by or on behalf of the Borrower to the Interim Lender for the purposes of or in connection with this Agreement or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and remains true as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.</p> |
| 16 | AFFIRMATIVE COVENANTS: | <p>The Borrower covenants and agrees to:</p> <p>(a) submit to the Court the Interim Financing Approval Order and any other Court orders which are being sought by the Borrower in a form confirmed in advance to be satisfactory to the Interim Lender in its sole discretion, subject to any amendments that are required by the Court that are acceptable to the Interim Lender, in its sole discretion;</p> <p>(b) subject to the terms of the Initial Order, comply with: (i) all environmental laws, rules, regulations and orders; and (ii) except where individually or in the aggregate, noncompliance could not be reasonably expect to have a Material Adverse Effect, all laws, rules, regulations and orders, including payment on a timely basis of all municipal taxes, utility charges or other amounts in relation to the Collateral where non-payment of same could give rise to a lien, charge or other encumbrance ranking prior to or <i>pari passu</i> with the Interim Lender's Charge and immediately notify the Interim Lender of any action, claim, lawsuit, demand, investigation or proceeding pending, or to the knowledge of the Borrower, threatened, against the</p>                                 |

- 14 -

|  |  |  |
|--|--|--|
|  |  | <p>Borrower, before any court, Governmental Authority, regulatory authority, arbitrator or tribunal;</p> <p>(c) maintain in good standing at all times all insurance coverage as is customarily carried by companies which are engaged in the same or similar business to the business of the Borrower or as otherwise may be required by the Interim Lender;</p> <p>(d) provide information to and consult in advance with the Interim Lender in connection with any plan of compromise or arrangement and, to the extent any plan of compromise or arrangement does not result in the indefeasible repayment of the Interim Financing Obligations in full and in cash on or before the Maturity Date, any such plan shall be satisfactory to and subject to the approval of the Interim Lender;</p> <p>(e) provide information to and consult in advance with the Interim Lender in connection with any sale of any Collateral and, to the extent any sale of any of the Collateral does not result in the indefeasible repayment of the Interim Financing Obligations in full and in cash on or before the Maturity Date, any sale shall be satisfactory to and subject to the approval of the Interim Lender;</p> <p>(f) except where the Stay of Proceedings applies and otherwise subject to the terms of the Initial Order, pay when due all statutory liens, trust and other Crown claims including employee source deductions, GST, HST, PST and workplace safety and insurance premiums but only with respect to those priority payments which rank ahead of the Interim Lender's Charge or with respect to the Borrower's post-CCAA filing obligations;</p> <p>(g) comply with the provisions of the court orders made in connection with the CCAA Proceedings;</p> <p>(h) pay when due, all principal, prepayment obligations, interest, fees and other amounts payable by the Borrower under this Agreement and under any other agreements related thereto;</p> <p>(i) preserve, renew and keep in full force its corporate existence and its material licenses, permits and approvals required in respect of its business, properties, assets or any activities or operations carried out therein, including, without limitation, agreements necessary to continue its business as currently</p> |
|--|--|--|

- 15 -

|  |  |  |
|--|--|--|
|  |  | <p>conducted;</p> <p>(j) forthwith notify the Interim Lender and the Monitor of the occurrence of any Event of Default, or of any event or circumstance that may constitute an Event of Default;</p> <p>(k) forthwith notify the Interim Lender and the Monitor of the commencement of any action, suit, investigation, litigation or proceeding before any court or Governmental Authority;</p> <p>(l) provide to the Interim Lender at least two (2) business days in advance of the earlier of service or filing, copies or drafts of all petitions, pleadings, motions, affidavits, reports, applications, judicial information, financial information and other documents to be filed by or on behalf of the Borrower with the Court, provided if it is not practicable to provide such documents at least two (2) business days prior to the earlier of service or filing then as promptly as possible after such documents are available;</p> <p>(m) permit the Interim Lender, its representatives and agents, to have access, at any time, to the books, records, property and premises of the Borrower and cause management thereof to fully co-operate with any directors, officers, employees, agents, advisors and representatives of the Interim Lender; and</p> <p>(n) provide prompt notice to (including copies thereof) and, to the extent any sale, investment, plan or proposal referred to in clauses (1)-(iv) inclusive below does not result in the indefeasible repayment of the Interim Financing Obligations in full and in cash on or before the Maturity Date, obtain the prior written approval of the Interim Lender to:</p> <p style="padding-left: 40px;">(i) any sale or investment solicitation process outline, bid procedures, sale guidelines or other such document relating to the marketing and solicitation of offers for a sale or investment transaction with the Borrower;</p> <p style="padding-left: 40px;">(ii) any information memorandum, form of letter of intent, form of bid offer, form of agreement of purchase and sale or other similar document used by the Borrower or the Monitor;</p> <p style="padding-left: 40px;">(iii) any qualifying bid, letter of intent, qualifying bidder, purchaser, sale or agreement of purchase and sale; and</p> |
|--|--|--|

- 16 -

|    |                      |  |
|----|----------------------|--|
|    |                      | <p>(iv) any disclosure statement, offering memorandum, plan of arrangement or reorganization, plan of compromise or arrangement, proposal to creditors, or other such document pertaining to a proposed compromise or arrangement of any of the material obligations of the Borrower,</p> <p>and consult to with the Interim Lender in relation to the same, provided that the Interim Lender shall not have access to any details regarding the above other than is available in the public record, unless the Interim Lender confirms that it and its affiliates, subsidiaries, or any entities related to its directors, officers and shareholders, are not participating directly or indirectly (including as financier) in any sales or investment solicitation process undertaken in relation to the Borrower, and the Interim Lender executes such confirmations, non-disclosure, and confidentiality agreements as may reasonably be requested by the Borrower or the Monitor.</p>   |
| 17 | REPORTING COVENANTS: | <p>The Borrower shall deliver to the Interim Lender:</p> <p>(a) by the 15<sup>th</sup> day after the end of each calendar month, the following:</p> <ol style="list-style-type: none"> <li>1. internal monthly financial statements of the Borrower, in a form agreed to between the Lender and Borrower from time to time, including income statement, cashflow and balance sheet;</li> <li>2. copies of bank statements for all bank accounts maintained by the Borrower;</li> <li>3. download of all General Ledger transactions from the Borrower's accounting system; and</li> <li>4. such other financial information requested by the Interim Lender</li> </ol> <p>(b) a completed loan compliance certificate in the form attached as Schedule "B" hereto by the 15<sup>th</sup> day after the end of each calendar month.</p> <p>(c) on a weekly basis, progress reports with respect to negotiations for an investment by an outside investor or an outright sale of the Borrower's business, if any, provided that the Interim Lender provides the confirmation that it is not participating in such a process and executes the</p> |

- 17 -

|    |                     |   |
|----|---------------------|---|
|    |                     | <p>agreements as set out in paragraph 16(n) above;</p> <p>(d) forthwith, notice of:</p> <p>(i) any breach of covenant or other obligation of the Borrower under or in connection with this Agreement;</p> <p>(ii) any material adverse change in the operations or financial conditions of the Borrower;</p> <p>(iii) any investigation, proceeding, order, claim or notice by any Governmental Authority with respect to any violation or alleged violation of applicable laws; and</p> <p>(e) such further reports and information as the Interim Lender may reasonably request from time to time.</p>  |
| 18 | NEGATIVE COVENANTS: | <p>The Borrower covenants and agrees not to do the following while any Interim Financing Obligations remain outstanding, other than with the prior written consent of the Interim Lender:</p> <p>(a) except as permitted by this Agreement, the Initial Order or further order of the Court, make any payment of principal or interest in respect of any indebtedness outstanding on the Filing Date;</p> <p>(b) permit any new liens to exist on any of its properties or assets, other than the Permitted Encumbrances and the liens and charges in favour of the Interim Lender, as contemplated by this Agreement;</p> <p>(c) disclaim, resiliate or terminate any material contract;</p> <p>(d) merge, amalgamate, consolidate, reorganize, or sell any assets outside of the ordinary course of business other than sales of redundant or non-material assets permitted pursuant to the Initial Order;</p> <p>(e) make any acquisitions, investments or loans to any party or guarantee the obligations of any party;</p> <p>(f) incur or enter into any debts, liabilities or obligations, including, without limitation, guarantees and contingent obligations, except in the ordinary course of business;</p> <p>(g) make or permit any dividends or distributions (whether by reduction of capital or otherwise) with respect to its shares</p> |

- 18 -

|    |                    |  |
|----|--------------------|--|
|    |                    | <p>or directly or indirectly purchase, redeem or otherwise acquire or retire any of its shares;</p> <p>(h) conduct any business or engage in any transaction with an affiliate or non-arm's length person unless such business or transaction is on terms which would apply to an arm's length transaction;</p> <p>(i) (A) make an assignment in bankruptcy under the BIA, (B) consent to the issuance of a Bankruptcy Order in respect of the Borrower pursuant to the BIA, (iii) file a notice of intention to make a proposal under the BIA, (iv) consent to the appointment of a receiver or receiver and manager by any court of competent jurisdiction in respect of the Borrower or any of its assets, undertakings or properties; or</p> <p>(j) enter into any agreement, initiate any process or put forward or participate in any plan or arrangement that contemplates any amendment or waiver of the Interim Lender's rights under this Agreement.</p>   |
| 19 | EVENTS OF DEFAULT: | <p>The occurrence of any one or more of the following events, without the prior written consent of the Interim Lender, shall constitute an event of default ("Event of Default") under this Agreement:</p> <p>(a) failure by the Borrower to pay any principal, interest, fees, prepayment obligations or any other amounts, in each case when due and owing hereunder;</p> <p>(b) any representation or warranty made or deemed to be made by the Borrower herein or in any other document in connection with this Agreement shall prove to have been false in any material respect at the time made or deemed made;</p> <p>(c) the Borrower shall default in the observance or performance of any other covenant or obligation hereunder which, if curable, is not cured within ten (10) days after written notice from the Interim Lender;</p> <p>(d) if a new Monitor is appointed in the CCAA Proceedings without the Interim Lender's prior written consent;</p> <p>(e) the issuance of an order terminating the CCAA Proceedings or lifting the Stay of Proceedings in the CCAA Proceedings to permit the enforcement of any security against the Borrower, or the appointment of a receiver and manager,</p> |

- 19 -

|  |  |
|--|--|
|  | <p>receiver, interim receiver or similar official or the making of a bankruptcy order against any Borrower;</p> <p>(f) the issuance of an order granting a lien which is senior to or <i>pari passu</i> with the Interim Lender's Charge, other than the Priority Charges;</p> <p>(g) the issuance of an order staying, reversing, vacating or otherwise modifying the Interim Lender's Charge or, any order in the CCAA Proceedings in a manner which adversely impacts the rights and interests of the Interim Lender, provided, however, that any such order which provides for payment in full of all of the obligations of the Borrower under the Interim Lending Facility shall not constitute an Event of Default;</p> <p>(h) if (i) the Interim Lending Approval Order is varied without the consent of the Interim Lender in a manner adverse to the Interim Lender in the Interim Lender's sole opinion, or (ii) the Stay of Proceedings is terminated or is lifted to allow an action adverse to the Interim Lender;</p> <p>(i) if any default or event of default occurs under any material agreement to which the Borrower is a party provided this paragraph (j) shall not apply to defaults existing as of the date of or caused by the issuance of the Initial Order, to the extent that (and for so long as) such defaults are stayed by orders of the Court (as extended or amended from time to time);</p> <p>(j) any breach by the Borrower of any of the provisions of the Initial Order, the Interim Lending Approval Order or any other order of the Court made in the CCAA Proceedings;</p> <p>(k) the Interim Lender in good faith and on commercially reasonable grounds believes the prospect of payment of the Interim Lending Facility or any other amounts payable hereunder or the performance of the Borrower's other obligations hereunder or under any of the security granted in connection herewith is impaired or that any of the assets, properties or undertakings of the Borrower hereunder or under any security or other document granted in connection herewith is or is about to be placed in jeopardy; or</p> <p>(l) in the Interim Lender's sole opinion there has been a Material Adverse Effect.</p> |
|--|--|



- 20 -

|              |  |
|--------------|--|
|              | <p><b>"Material Adverse Effect"</b> means: (a) any effect which is or could reasonably be expected to be adverse on the: (i) status or conditions (financial or otherwise), properties, assets, ownership, capital, liabilities, obligations (whether absolute, accrued, conditional or otherwise), business operations or results of operations of the Borrower that, in the Interim Lender's sole opinion, acting reasonably, is material; or (ii) ability of the Borrower to perform or discharge its obligations under this Agreement or any of the other documents relating hereto which, in the Interim Lender's sole opinion, acting reasonably, is material or (b) any event which would constitute an Event of Default of any event which, with the giving of notice of the lapse of time or otherwise, could constitute an Event of Default.</p>   |
| 20 REMEDIES: | <p>On the date of the occurrence of an Event of Default, any right of the Borrower to receive any advance or other accommodation of credit from the Interim Lender shall be immediately terminated and any further advances made, if any, thereafter shall be in the sole discretion of the Interim Lender. The Interim Lender shall be entitled, in addition to all other remedies at law and under any security or other agreement, to exercise its rights to notify and direct account debtors of the Borrower to pay accounts receivable directly to the Interim Lender.</p> <p>In addition, and subject to the provisions of section 3 "Repayment" hereof, upon demand for repayment of the Interim Lending Facility by the Interim Lender of the Borrower on or after the occurrence of an Event of Default (except an Event of Default contemplated in clause 19(h) and (i) hereof, in respect of which demand shall not be required) (the "<b>Termination Date</b>"), all debts, obligations and liabilities of the Borrower to the Interim Lender hereunder shall become immediately due and payable.</p> <p>Without limiting the foregoing, from and after the Termination Date, the Interim Lender shall have the right to exercise all other customary remedies under applicable law, including, without limitation, the right to realize on all Collateral and the collateral securing the Interim Financing Obligations and registering the all assignments of mortgages, in each case without the necessity of obtaining further relief or order from any court.</p> <p>For greater certainty, nothing shall prevent the Interim Lender from applying to the Court or any court in any relevant foreign jurisdiction on seven (7) days' notice, or such shorter notice as the Court may permit, for such relief as the Interim Lender may</p> |

- 21 -

|    |                       |   |
|----|-----------------------|---|
|    |                       | <p>determine is necessary or appropriate at any time.</p> <p>For the avoidance of doubt, no failure or delay by the Interim Lender in exercising any of its rights hereunder or at law shall be deemed a waiver of any kind, and the Interim Lender shall be entitled to exercise such rights in accordance with this Agreement at any time.</p> <p>The Interim Financing Approval Order shall provide that the Interim Lender shall not be prevented by the stay of proceedings or any order of the Court, as applicable, other than the provisions of the Initial Order and the Interim Financing Approval Order regarding notice of enforcement by the Interim Lender and the Interim Lender's Charge specifically, from exercising any or all of the rights, remedies and entitlements available to it hereunder, under the Interim Lender's Charge and under any security or other ancillary documents related thereto, and that the indebtedness and obligations of the Borrower to the Interim Lender hereunder shall not be compromised or otherwise affected in any plan filed by or on behalf of any of the Borrower.</p> |
| 21 | EXPENSES:             | <p>The Borrower shall pay all of the Interim Lender's costs and expenses, including those incurred for due diligence, transportation, computers, copying, appraisals, inspections, audits, insurance, consultants, searches, filing and recording fees, collateral auditing fees and all other out-of-pocket costs and expenses incurred by the Interim Lender (including the fees and expenses of its legal counsel). The Borrower shall also pay the costs and expenses of the Interim Lender in connection with this Agreement and the transactions contemplated herein, as well as any enforcement of the terms hereof or of the Interim Lender's Charge or otherwise incurred in connection with the Interim Lending Facility. All such costs and expenses, if not immediately paid by the Borrower upon demand, shall be secured by the Interim Lender's Charge.</p>  |
| 22 | INDEMNITY AND RELEASE | <p>The Borrower agrees to indemnify and hold harmless the Interim Lender, its affiliates and their officers, directors, employees, agents and advisors (each an "Indemnified Person") from and against any and all suits, actions, proceedings, orders, claims, damages, losses, liabilities and expenses (including legal fees and disbursements and other costs of investigation or defence, including those incurred upon any appeal) that may be instituted or asserted against or incurred by any such Indemnified Person as a result of or in connection with credit having been extended, suspended or terminated under or in relation to the Interim Lending Facility or the use of the proceeds thereof and the</p>  |

- 22 -

|    |                           |   |
|----|---------------------------|---|
|    |                           | <p>administration of such credit, and in connection with or arising out of the transactions contemplated hereunder and any actions or failure to act in connection therewith including the taking of any enforcement actions by the Interim Lender and including any and all environmental liabilities and legal costs and expenses arising out of or incurred in connection with disputes between or among any parties hereto. All such indemnified amounts, if not immediately paid by the Borrower upon demand, shall be secured by the Interim Lender's Charge.</p> <p>The indemnities granted under this Agreement shall survive any termination of the Interim Lending Facility.</p>  |
| 23 | INTERIM LENDER APPROVALS: | Any consent, approval, instruction or other expression of the Interim Lender to be delivered in writing may be delivered by any written instrument, including by way of electronic mail, by the Interim Lender pursuant to the terms hereof.  |
| 24 | TAXES:                    | All payments under or in connection with the Interim Lending Facility shall be made free and clear of any present or future taxes, withholdings or other deductions whatsoever (other than income and franchise taxes in the jurisdiction the Interim Lender's lending office). The Interim Lender will use reasonable efforts (consistent with their respective internal policy and legal and regulatory restrictions and so long as such efforts would not otherwise be disadvantageous to them) to minimize to the extent possible any applicable taxes, and the Borrower will indemnify the Interim Lender for such taxes and penalties paid by the Interim Lender. All such indemnified amounts, if not immediately paid by the Borrower upon demand, shall be secured by the Interim Lender's Charge. |
| 25 | NOTICES                   | <p>Any notice, request or other communication hereunder to any of the parties shall be in writing and be sufficiently given if delivered personally or sent by fax or electronic mail to the attention of the person as set forth below:</p> <p>(a) in the case of the Borrower:</p> <p style="padding-left: 40px;">All Canadian Investment Corp.<br/>Suite 2 - 781 Marine Park Drive North East<br/>Salmon Arm, BC<br/>V1E 2W7<br/>Attention: Don Bergman</p> <p style="padding-left: 40px;">Fax: &lt;@&gt;</p>  |

- 23 -

Email: dbergman@aciciinvestor.ca

with a copy to:

Watson Copel LLP  
1200 - 1075 W. Georgia Street  
Vancouver, BC.  
V6E 3C9

Attention: Jeremy West/Liam Oster  
email: jwest@watsongoepel.com/loster@watsongoepel.com

with a copy to the Monitor:

Boale, Wood & Company Ltd.  
1140 - 800 West Pender Street  
Vancouver, BC  
V6C 2V6

Attention John McEown  
e-mail: jmceown@boalewood.ca

with a copy to the Monitor's counsel:

Kornfeld LLP  
1100 One Bentall Centre  
505 Burrard Street, Vancouver BC  
V7X 1M5

Attention: Doug Hyndman

e-mail: dhyndman@kornfeldllp.com

(b) in the case of the Interim Lender:

Suite 810 - 570 Granville St.  
Vancouver, BC  
V6C 3P1  
Attention: Conrad Krebs  
e-mail: ckrebs@rcmorris.com

with a copy to the Interim Lender's counsel:

Fasken Martineau DuMoulin LLP  
Suite 2900 - 550 Burrard Street  
Vancouver, BC  
V6C 0A3  
Attention: Kibben Jackson

- 24 -

|    |                                 |   |
|----|---------------------------------|---|
|    |                                 | e-mail: kjackson@fasken.com<br><br>Any such notice shall be deemed to be given and received, when received, unless received after 5 p.m. PST or on a day other than a business day, in which case the notice shall be deemed to be received the next business day. Either party may request notices be sent to additional recipients so long as, in the case of notices to the Interim Lender, such recipient is subject to confidentiality obligations.  |
| 26 | GOVERNING LAW AND JURISDICTION: | This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.  |
| 27 | AMENDMENTS, WAIVERS, ETC.:      | No amendment or waiver of any provision of this Agreement will be effective unless it is in writing, and then the amendment, modification, waiver or consent will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given.   |
| 28 | FURTHER ASSURANCES:             | The Borrower shall from time to time promptly, upon the request of the Interim Lender, take or cause to take such action, and execute and deliver such further documents as may be reasonably necessary or appropriate to give effect to the provisions and intent of this Agreement.   |
| 29 | ENTIRE AGREEMENT; CONFLICT:     | This Agreement, including the schedules hereto constitutes the entire agreement between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings relating thereto.  |
| 30 | ASSIGNMENT:                     | The Interim Lender may assign this Agreement and its rights and obligations hereunder, in whole or in part, to any party acceptable to the Interim Lender in its sole and absolute discretion (subject to providing the Monitor with notice and reasonable evidence that such assignee has the financial capacity to fulfill the obligations of the Interim Lender hereunder and, if necessary, approval of the Court). For greater certainty, any such assignee shall have the benefit of this Agreement, any security granted in favour of the Interim Lender by the Borrower, and the Interim Lender's Charge. Neither this Agreement nor any right and obligation hereunder may be assigned by the Borrower without the prior written approval of the Interim Lender. |
| 31 | NEGOTIATION                     | The Borrower and its representatives will immediately cease all existing discussions and negotiations, if any, with all other persons in respect of any potential alternative financing or any other  |

- 25 -

|    |  |  |
|----|--|--|
|    |  | transaction the consummation of which would or could reasonably be expected to interfere with or prevent the Interim Lending Facility from proceeding or materially reduce the benefit to the Interim Lender thereof (collectively, an "Alternative Transaction"). The Borrower will not, directly or indirectly, permit any of its officers, directors, shareholders or representatives to solicit, initiate, or encourage proposals or offers from, or participate in negotiations with, any third party, or provide information to any third party relating to any Alternative Transaction or to the existence of the Interim Lending Facility. |
| 32 | SEVERABILITY:                          | Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.  |
| 33 | NO THIRD PARTY BENEFICIARY:            | No person, other than the Borrower and the Interim Lender are entitled to rely upon this Agreement and the parties expressly agree that this Agreement does not confer rights upon any party not a signatory hereto.   |
| 34 | CURRENCY:                              | Unless otherwise stated, all monetary denominations shall be in lawful currency of Canada.   |
| 35 | COUNTERPARTS AND FACSIMILE SIGNATURES: | This Agreement may be executed in any number of counterparts and by facsimile or other electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Agreement by signing any counterpart of it.   |
| 36 | DISCHARGE                              | Upon payment in full of the Interim Financing Obligations the Interim Lender shall provide the Borrower all necessary discharges of security required for filing in any applicable registries..  |
| 37 | ACCEPTANCE                             | This offer is open for acceptance until 5:00 pm on Tuesday, March 27, 2018, after which time it will be null and void unless extended in writing by the Interim Lender.  |

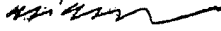
[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

- 26 -

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

**Interim Lender**

**DIDS-BC Holdings Ltd.**

By:   
Name: Christopher Morri  
Title: Director

**Borrower**

**All Canadian Investment Corp.**

By: \_\_\_\_\_  
Name:  
Title:

- 26 -

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

**Interim Lender**

**DIDS-BC Holdings Ltd.**

By: \_\_\_\_\_  
Name:  
Title:

**Borrower**

**All Canadian Investment Corp.**

By: \_\_\_\_\_  
Name: DON BERGMAN  
Title: PRESIDENT



**SCHEDULE "A"**  
**FORM OF DRAWDOWN REQUEST**  
**DRAWDOWN REQUEST**

**TO:** R.C. Morris & Company Special Opportunities Fund III Limited Partnership (the "Interim Lender")

**FROM:** All Canadian Investment Corp.  
(the "Borrower")

**DATE:** [ ], 2018

Pursuant to the Interim Lending Facility Agreement dated March 27, 2018, among the Interim Lender and the Borrower (as amended, restated and otherwise modified from time to time, the "Agreement"), the Borrower is required as a condition precedent to the Interim Financing Advance to deliver this Drawdown Request to the Interim Lender. Unless otherwise defined herein, all capitalized terms used in this Drawdown Request shall have the meanings specified for such terms in the Agreement.

The Borrower hereby certifies that:

- (a) the requested drawdown is within the variance permitted to the Cash Flow Budget under the Agreement;
- (b) the Borrower is in compliance with the Initial Order, the Interim Lending Approval Order and every other order granted by the Court in the CCAA Proceedings;
- (c) the representations and warranties set forth in Section 15 of the Agreement are and shall be true and accurate and the Borrower is in compliance with the covenants set forth in Sections 15, 16 and 17 therein;
- (d) no event has occurred and is continuing which constitutes an Event of Default or which would constitute an Event of Default with the giving of notice or lapse of time or both; and
- (e) all conditions precedent to the requested Interim Financing Advance pursuant to the Agreement have been satisfied and all supporting evidence required by the Interim Lender is attached hereto.

The Borrower hereby requests the Interim Financing Advance as follows:

Date of Interim Financing Advance: [ ]

Amount of Interim Financing Advance: CDN \$[ ]

IN WITNESS WHEREOF the undersigned has executed this Drawdown Request on the date first above written.

**All Canadian Investment Corp.**

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "B"**  
**FORM OF LOAN COMPLIANCE CERTIFICATE**

See attached

## COMPLIANCE CERTIFICATE

DIDS-BC Holdings Ltd.  
Suite 810 – 570 Granville Street  
Vancouver, British Columbia, V6C 3P1

MARCH 27, 2018

Attention: Bradley Meadows

Dear Sirs/Mesdames:

Re: All Canadian Investment Corp. (the "Borrower")  
Month ended MARCH 2018.

I, DON BERGMAN, in my capacity as PRESIDENT of the Borrower, hereby certify for and on behalf of the Borrower, and without personal liability that:

1. I am familiar with and have examined the provisions of the loan agreement dated as of March \_\_, 2018 between the Borrower, as borrower, and DIDS-BC Holdings Ltd., as interim lender (as may be amended, restated, supplemented and otherwise modified from time to time, the "Loan Agreement") and have made such reasonable investigations of corporate records and reasonable inquiries of other officers and senior personnel of the Borrower, respectively, as are sufficient to enable me to make an informed statement herein. Capitalized terms used and not defined in this certificate shall have the meanings given to them in the Loan Agreement and all section references, unless stated otherwise, shall be references to sections of the Loan Agreement.

2. Based on the foregoing and as of the date of this certificate:

- (a) no Default or Event of Default has occurred and is continuing;
- (b) the covenants contained in the Loan Agreement have not been breached during the month ended and I am not aware of any financial or other information which leads me to believe that any of such covenants will be breached during the next month; and
- (c) no Material Adverse Effect has occurred during the month ended.

Dated this 27 day of MARCH, 2018

ALL CANADIAN INVESTMENT CORP.

By: 

Name: DON BERGMAN  
Title: PRESIDENT