



Court File No. **VLC-S-S-244399**

This is Affidavit #1 of Mark Kemp-Gee in this proceeding and was made on July 2, 2024.

Court No.
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. and
1390951 B.C. LTD.**

BETWEEN:

ROYAL BANK OF CANADA

PETITIONER

AND:

**VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD.,
1390951 B.C. LTD., DOUGLAS ROBERT THIBAUT,
MICHAEL ROY GOODWIN AND MURRAY BLAIR SULLIVAN**

RESPONDENTS

AFFIDAVIT #1 OF MARK KEMP-GEE

I, Mark Kemp-Gee, Senior Manager, of 6th Floor - 885 W. Georgia St., Vancouver, BC V6C 3G1, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Manager in the Special Loans and Advisory Services department for Royal Bank of Canada (“**RBC**”) and am presently responsible for the administration of the account of Vernon Recreational Products (VRP) Sales and Service Ltd. (the “**Borrower**”) and 1390951 B.C. Ltd. (“**1390951**”). As such, I have personal knowledge of the matters and facts hereinafter sworn to, except where stated to be based on information and belief, and where so stated, I verily believe the same to be true.
2. I am authorized by RBC to swear this Affidavit on its behalf. I make this Affidavit in support of an order of the Supreme Court of British Columbia appointing BDO Canada Limited as the court-

appointed receiver and manager of the Borrower and 1390951.

Background

3. RBC is a chartered bank carrying on business in British Columbia and elsewhere in Canada.
4. The Borrower operates a recreational vehicle dealership situated in Vernon, British Columbia. The Borrower has been in default of its obligations to RBC since December 2022, details of which are set out below. The Borrower is also a guarantor of 1390951.
5. 1390951 operates a recreational vehicle dealership situated in Kamloops, British Columbia. 1390951 is an affiliate and guarantor of the Borrower.

The Loans

6. The Respondents, being the Borrower, 1390951, Douglas Robert Thibault (“**Thibault**”), Michael Roy Goodwin (“**Goodwin**”) and Murray Blair Sullivan (“**Sullivan**” and, collectively with 1390951, Thibault and Goodwin, the “**Guarantors**” and, together with the Borrower, the “**Loan Parties**”) are indebted to the Petitioner, RBC, pursuant to the Credit Agreement (as defined below).
7. RBC provided credit facilities (collectively, the “**Loans**”) to the Borrower pursuant to a credit agreement dated February 9, 2021 (the “**Original Credit Agreement**”), as amended by a first amendment to credit agreement dated April 26, 2021 (the “**First Amending Agreement**”), a second amendment to credit agreement dated May 12, 2021 (the “**Second Amending Agreement**”), a third amendment to credit agreement dated July 25, 2022 (the “**Third Amending Agreement**”), a fourth amendment to credit agreement dated February 1, 2023 (the “**Fourth Amending Agreement**”), and a fifth amendment to credit agreement dated May 9, 2023 (the “**Fifth Amending Agreement**” and, collectively with the Original Credit Agreement, the First Amending Agreement, the Second Amending Agreement, the Third Amending Agreement, the Fourth Amending Agreement, and as may be further amended, revised, restated, replaced or modified from time to time, the “**Credit Agreement**”).
8. Attached hereto and marked as **Exhibit “A”** is a true copy of the Original Credit Agreement.
9. Attached hereto and marked as **Exhibit “B”** is a true copy of the First Amending Agreement.
10. Attached hereto and marked as **Exhibit “C”** is a true copy of the Second Amending Agreement.

11. Attached hereto and marked as **Exhibit “D”** is a true copy of the Third Amending Agreement.
12. Attached hereto and marked as **Exhibit “E”** is a true copy of the Fourth Amending Agreement.
13. Attached hereto and marked as **Exhibit “F”** is a true copy of the Fifth Amending Agreement.
14. The Loans made available to the Borrower are categorized into five segment types: (i) New RV Facilities, (ii) Used RV Facilities, (iii) Term Loan Facilities, (iv) Operating Facility, and (v) corporate credit card facility.
15. Pursuant to the Credit Agreement, all credit facilities are repayable immediately upon written demand by RBC, except for the Term Facilities (two of which are now matured and past due).

Guarantees

16. Pursuant to the terms and conditions of the Credit Agreement, the Guarantors granted the following guarantees in favour of RBC, guaranteeing all of the Borrower’s obligations to RBC (collectively, the “**Guarantees**”):
 - (a) an unlimited guarantee and postponement of claim dated March 9, 2021, granted by Thibault in favour of RBC, a true copy of which is attached hereto and marked as **Exhibit “G”**;
 - (b) an unlimited guarantee and postponement of claim dated March 9, 2021, granted by Goodwin in favour of RBC, a true copy of which is attached hereto and marked as **Exhibit “H”**;
 - (c) an unlimited guarantee and postponement of claim dated March 9, 2021, granted by Sullivan in favour of RBC, a true copy of which is attached hereto and marked as **Exhibit “I”**;
 - (d) an unlimited guarantee and postponement of claim dated February 7, 2023, granted by 1390951 in favour of RBC (the “**1390951 Guarantee**”), a true copy of which is attached hereto and marked as **Exhibit “J”**;

Security

17. As security for the debts, liabilities and obligations under the Credit Agreement and 1390951 Guarantee, the Borrower and 1390951 granted certain collateral security in favour of RBC (collectively the “**Security**”), including, without limitation:

- (e) a general security agreement dated March 9, 2021, granted by the Borrower in favour of RBC, a true copy of which is attached hereto and marked as **Exhibit “K”**;
- (f) a general security agreement dated February 7, 2023, granted by 1390951 in favour of RBC (the “**1390951 GSA**”), a true copy of which is attached hereto and marked as **Exhibit “L”**;
- (g) a collateral mortgage, containing an assignment of rents, in the principal amount of \$4,330,000, dated March 9, 2021, granted by the Borrower in favour of RBC, charging the real properties located at:
 - (i) 6255 Highway 97, Vernon, B.C., and legally described as PID: 004-768-981, Lot 2 Sections 11 and 14 Township 8 Osoyoos Division Yale District Plan 27607 Except Plan H16713;
 - (ii) 6256 Pleasant Valley Road, Vernon, B.C., and legally described as PID: 005-446-937, Lot 6 Section 11 Township 8 Osoyoos Division Yale District Plan 25512; and
 - (iii) 6395 Highway 97, Vernon, B.C., and legally described as PID: 017-856-515, Lot A Section 14 Township 8 Osoyoos Division Yale District Plan KAP47732;
 (collectively, the “**Properties**”) a true copy of which is attached hereto and marked as **Exhibit “M”**;
- (h) a dealer inventory security agreement dated March 9, 2021, granted by the Borrower in favour of RBC, a true copy of which is attached hereto and marked as **Exhibit “N”**;
- (i) regarding security pursuant to Section 247 of the *Bank Act* (Canada):
 - (i) an authorization and direction re: Section 427 *Bank Act* security dated March 9, 2021, granted by the Borrower in favour of RBC, a true copy of which is attached hereto and marked as **Exhibit “O”**;
 - (ii) a notice of intention dated March 8, 2021, granted by the Borrower in favour of RBC, a true copy of which is attached hereto and marked as **Exhibit “P”**;
 - (iii) a promise to give security under Section 427 of the *Bank Act* and warehouse receipts and/or bills of lading dated March 10, 2021, granted by the Borrower

in favour of RBC, a true copy of which is attached hereto and marked as **Exhibit “Q”**;

(iv) an agreement as to loans and advances and security under Section 427 of the *Bank Act* for such loans and advances dated March 10, 2021, granted by the Borrower in favour of RBC, a true copy of which is attached hereto and marked as **Exhibit “R”**; and

(v) an assignment under Section 427 of the *Bank Act* dated March 10, 2021, granted by the Borrower in favour of RBC, a true copy of which is attached hereto and marked as **Exhibit “S”**;

(j) a postponement and assignment of claim dated February 7, 2023, granted by 1390951 in favour of RBC, a true copy of which is attached hereto and marked as **Exhibit “T”**.

Protracted Defaults and Demand

18. Since December 2022, the Borrower has breached certain financial covenants and otherwise been in default pursuant to the Credit Agreement, including without limitation, as follows (capitalized terms are as defined in the Credit Agreement):

- (a) as of December 31, 2022, its Current Ratio was 1.04:1 (less than the 1.20:1 minimum as required under the Credit Agreement);
- (b) as of April 30, 2023, its Total Liabilities to Tangible Net Worth Ratio, on a combined basis with 1390951, was 8.65:1 (exceeding the maximum permitted 6.10:1 under the Credit Agreement);
- (c) the Total Liabilities to Tangible Net Worth Ratio, on a combined basis for the Borrower and 1390951, subsequently exceeded the maximum 4.50:1 permitted under the Credit Agreement for the months of December 2023 (5.53:1), January 2024 (6.45:1), February 2024 (6.30:1), March 2024 (6.82:1), April 2024 (6.10:1), and May 2024 (5.24:1);
- (d) the Current Ratio, on a combined basis for the Borrower and 1390951, was less than the minimum 1.20:1 required under the Credit Agreement for the months of July 2023 (1.18:1),

December 2023 (0.82:1), January 2024 (1.19:1), February 2024 (1.17:1), March 2024 (1.13:1), April 2024 (1.13:1), and May 2024 (1.18:1); and

- (e) the Debt Service Coverage Ratio, on a combined basis with 1390951, was less than the minimum 1.50:1 required under the Credit Agreement for the fiscal year ending December 31, 2023 (0.61:1),

(collectively, the “**Financial Covenant Breaches**”).

19. In addition to the financial distress demonstrated by the Financial Covenant Breaches, the Borrower continued to experience liquidity shortfalls generally in 2023. To assist the Borrower work through this financial distress, commencing in early 2023, at the request of the Borrower, RBC made available to the Borrower certain additional credit (the “**Temporary Support Credit**”) on an *ad hoc* basis by way of temporary authorized credit limit increases on the Operating Facility (as defined in the Credit Agreement) as follows:
 - (a) for the period between March 8 through June 8, 2023, in the amount of \$300,000 in excess of the \$300,000 authorized credit limit;
 - (b) for the period between July 7 through August 31, 2023, in the amount of \$300,000 in excess of the \$300,000 authorized credit limit; and
 - (c) for the period between August 3 through September 10 2023, in the amount of \$400,000 in excess of the \$300,000 authorized credit limit.
20. As a result of the Borrower’s repeated need for Temporary Support Credits, the Financial Covenant Breaches, and general deterioration of the Borrower’s financial condition, RBC referred the Borrower and 1390951 accounts to the bank’s Special Loans and Advisory Services department (“**SLAS**”) in October 2023. Shortly afterwards, RBC provided another Temporary Support Credit to the Borrower in the amount of \$610,000 (being the amount by which the actual balance of the Operating Facility exceeded the \$300,000 authorized credit limit at the time) for the period between October 24, 2024 and October 31, 2024 to assist the Borrower to normalize operations and conclude a strategic sale of its assets and business (the “**Strategic Sale**”). This Temporary Support Credit was subsequently reduced to \$480,000 for the period of November 1 through November 30, 2024, was subsequently extended to January 14, 2024 at the same amount, and was subsequently extended

further to January 31, 2024 (by which date, RBC required reduction of the outstanding balance under the Operating Facility to below the \$300,000 authorized credit limit set out in the Credit Agreement).

21. In conjunction with the provision of Temporary Support Credits, RBC also waived, on a temporary basis, the mandatory curtailment payments of outstanding principal on certain RV Facilities (as defined in the Credit Agreement) as required under the Credit Agreement for the months of October 2023, November 2023, and December 2023, in the total amount of approximately \$520,000 (with interest accruing thereon), on the understanding that a Strategic Sale would conclude, and all obligations to RBC (including with respect to the Temporary Support Credits) would be paid out in full, by no later than January 31, 2024.
22. From the time that the Borrower and 1390951 accounts were transferred to SLAS under my carriage until approximately January 31, 2024, completing a Strategic Sale and using the sale proceeds to repay RBC was the only proposal presented by the Borrower to RBC to remedy defaults under the Credit Agreement. As of the date hereof, no Strategic Sale has concluded regarding the assets and business of the Borrower. To the best of my knowledge and belief, the Borrower's principals have abandoned efforts to conclude a Strategic Sale.
23. Despite the accommodations described in paragraphs 19, 20 and 21 above, the Borrower has failed, neglected or refused to repay advances made pursuant to the Temporary Support Credits on or before the January 31, 2024 deadline.
24. On January 31, 2024, RBC issued (through its legal counsel, Borden Ladner Gervais LLP) demands to the Loan Parties for the immediate repayment of all debts, liabilities and obligations outstanding pursuant to the Credit Agreement (the "**Demand Letters**"). Enclosed in the Demand Letters to the Borrower and 1390951 were "Notices of Intention to Enforce Security" pursuant to Section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
25. Attached hereto and marked as **Exhibit "U"** is a true and complete copy of the Demand Letter sent to the Borrower (without enclosures, except for the "Notice of Intention to Enforce Security").
26. Attached hereto and marked as **Exhibit "V"** is a true and complete copy of the Demand Letter sent to the Guarantors (without enclosures, except for the "Notice of Intention to Enforce Security" in the 1390951 Demand Letter).

Forbearance Agreement

27. On January 31, 2024, the Loan Parties entered into a forbearance agreement with RBC (the “**Original Agreement**”), which was subsequently amended by a first amendment to forbearance agreement dated May 13, 2024 (the “**First Forbearance Amendment**” and, together with the Original Agreement, the “**Forbearance Agreement**”), pursuant to which RBC agreed to forbear from enforcing its rights under the Security until May 31, 2024, with the full balance of the debt owing on that date, on the basis that the Loan Parties strictly complied with the terms of the Forbearance Agreement. Attached hereto and marked as **Exhibit “W”** is a true copy of the Original Agreement. Attached hereto and marked as **Exhibit “X”** is a true copy of the First Forbearance Amendment.
28. As a condition to forbearance provided under the Forbearance Agreement:
- (a) the Borrower granted RBC a supplemental collateral mortgage, containing an assignment of rents (collectively, the “**Supplemental Mortgage**” and together with the Security, the “**Amended Security**”), in the principal amount of \$1,000,000 dated February 1, 2024, charging the Properties. Attached hereto and marked as **Exhibit “Y”** is a true copy of the Supplemental Mortgage; and
 - (b) each of the Borrower and 1390951 granted RBC a waiver and consent pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act*, consenting to RBC enforcing on its Amended Security (the “**Enforcement Waivers**”). Attached hereto and marked as **Exhibit “Z”** are true and complete copies of the Enforcement Waivers.
29. Contrary to the Forbearance Agreement, the Loan Parties have failed, refused or neglected to make payment of the debt owed, including interest and costs, on or before May 31, 2024, and have further defaulted on their obligations to RBC pursuant to the Forbearance Agreement by (among other things) failing to complete a mandatory curtailment payment of \$252,541.67 on the New RV Facility (Forest River) (as defined in the Credit Agreement) for the month of May 2024.
30. During the months of March through May 2024, the Loan Parties were working with two commercial financiers to obtain refinancing for purposes of paying all debts, liabilities and obligations of the Borrower and 1390951 to RBC under the Credit Agreement, together with the debts, liabilities and obligations of 1390951 to RBC pursuant to a separate credit agreement (the “**1390951 Credit Agreement**”). RBC required that all debt, liabilities and obligations under the

1390951 Credit Agreement be repaid concurrently with those under the Credit Agreement because the two financings are cross-guaranteed and cross-collateralized by the Borrower and 1390951, making the two financings inextricably entwined.

31. Attached hereto and marked as **Exhibit “AA”** is a true and complete copy of the guarantee and postponement of claim granted by the Borrower in respect of the obligations of 1390951 under the 1390951 Credit Agreement.
32. As of the date hereof, the Loan Parties have not secured committed refinancing from any alternative funding sources.
33. As an additional temporary accommodation to the Borrower, RBC offered to continue its forbearance on enforcement on a temporary and discretionary basis, on the condition that the Loan Parties consent to RBC engaging BDO Canada Limited to conduct a “viability/look see” evaluation of the Borrower’s business and property, and pay RBC’s outstanding legal fees (which the Borrower is obligated to pay pursuant to the Credit Agreement). I communicated this to the Loan Parties pursuant to a “Notice of Default and Reservation of Rights” letter dated June 11, 2024, a true and complete copy of which is attached hereto and marked as **Exhibit “BB”** (the “**Default Notice**”).
34. I have not received clear confirmation from the Loan Parties of their agreement to the terms and conditions of the continued forbearance set out in the Default Notice. As a result, on June 21, 2024 RBC retracted its proposal for a temporary extension of forbearance set out in the Default Notice, and informed the Loan Parties (through counsel) of RBC’s intention to appoint a receiver over the Borrower and 1390951.

Current Debt

35. As of June 25, 2024, the Borrower and 1390951 are indebted to RBC in the total amount of approximately \$8,440,366.14 pursuant to the Credit Agreement and 1390951 Credit Agreement, together with interest, fees and other chargeable costs that continue to accrue (collectively, the “**Indebtedness**”). Of the total amount of Indebtedness, \$4,595,765.49 is payable by the Borrower and 1390951 pursuant to the Credit Agreement, and \$3,844,600.65 is payable by the Borrower and 1390951 pursuant to the 1390951 Credit Agreement.
36. The Borrower has been in default of its obligations to RBC pursuant to the Credit Agreement in some manner since December 2022. Despite efforts by RBC to work with the Borrower since that

time, including agreeing to forbear enforcement for a period of over four months, the Borrower has made little progress in curing its defaults or otherwise remedying its financial distress. As a result, RBC has lost confidence in the Loan Parties' ability to conduct business and their general ability to remedy the Borrower's financial distress.

Urgent Need for a Receiver and Manager

37. As a consequence of the defaults, RBC has a contractual right to appoint a receiver and manager over the Borrower and 1390951 pursuant to the terms of the Security and the Forbearance Agreement.
38. A receivership over the Borrower and 1390951 is a practical necessity in the circumstances. In particular, I am concerned about the Borrower's ability to continue business operations generally and to maintain enterprise value as a going concern. Attached hereto and marked as:
- (a) **Exhibit "CC"** is a true and complete copy of the Borrower's internally prepared (i) balance sheet as at May 31, 2024 and (ii) income statement for the five-month year-to-date period ending May 31, 2024 (the "**May Financial Reporting**");
 - (b) **Exhibit "DD"** is a true and complete copy of the Borrower's internally prepared (i) balance sheet as at April 30, 2024 and (ii) income statement for the four-month year-to-date period ending April 30, 2024;
 - (c) **Exhibit "EE"** is a true and complete copy of the Borrower's internally prepared (i) balance sheet as at March 31, 2024 and (ii) income statement for the three-month year-to-date period ending March 31, 2024; and
 - (d) **Exhibit "FF"** is a true and complete copy of the Borrower's internally prepared (i) balance sheet as at February 29, 2024 and (ii) income statement for the two-month year-to-date period ending February 29, 2024,

each of which were delivered to RBC by the Borrower as part of its financial reporting obligations (the "**Financial Reporting**").

39. The May Financial Reporting indicates that the Borrower held negative cash or cash equivalents of approximately -\$28,813 as at May 31, 2024. More generally, the Financial Reporting collectively

indicate a steady trend of increasing accounts payable over the past several months, as follows:

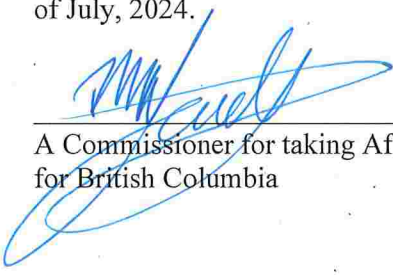
Reporting Period	Accounts Payable
February 1 – February 29, 2024	\$184,615
March 1 – March 31, 2024	\$276,060
April 1 – April 30, 2024	\$429,555
May 1 – May 31, 2024	\$641,645

The above, combined with the Borrower's ongoing payment defaults on the Loans, demonstrates that the Borrower is unable to pay its obligations as they generally become due and is insolvent.

40. Further, the Borrower presently holds a significant inventory of new and used recreational vehicles, which includes approximately 64 units as of May 31, 2024 with, according to the May Financial Reporting, an aggregate book value of approximately \$3,153,125 (the "**RV Inventory**"). Of those approximately 64 units of RV Inventory, approximately 47 units are new and approximately 17 are pre-owned/used. Of the 47 new RV Inventory units, approximately 45 units are 2022/2023 models, and approximately two units are 2024 models. Considering the aging of the new RV Inventory units, I expect the sale value of these RV Inventory units will decrease significantly as we approach the conclusion of the summer selling season in the coming weeks, and subsequent release of new 2025 models. RBC considers the risk of further exposure and potential loss to be significant if the RV Inventory units cannot be sold expeditiously before the end of this summer and the release of new 2025 models.
41. Appointing a receiver and manager over the Borrower and 1390951 is just and convenient in the circumstances. Appointing a receiver and manager appears necessary to preserve enterprise value, ensure the 2024 RV Inventory can be sold expeditiously and, more generally, to ensure the value of RBC's collateral does not dissipate. I believe that RBC and the other creditors of the Borrower and 1390951 would suffer irreparable harm in the event the receivership order is denied.
42. Attached hereto and marked as **Exhibit "GG"** is a true copy of a letter from BDO Canada Limited consenting to act as receiver and manager over the Borrower and 1390951.

43. I know of no fact or facts which would constitute a defence to RBC's claim.


SWORN BEFORE ME at the City of Vancouver
in the Province of British Columbia, this 2nd day
of July, 2024.


A Commissioner for taking Affidavits
for British Columbia


MARK KEMP-GEE

RYAN M. LAITY
Barrister & Solicitor
BORDEN LADNER GERVAIS LLP
1200 Waterfront Centre, 200 Burrard Street
P.O. Box 48600, Vancouver, Canada V7X 1T2
604-632-3544

This is **Exhibit "A"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia



Royal Bank of Canada
 RBC Automotive Finance
 1055 West Georgia Street
 Vancouver, BC V6E 3S5
 Tel.: 250-317-1166
 Fax: 250-763-8558

February 9, 2021

Private and Confidential

Vernon Recreational Products (VRP) Sales and Service Ltd.
 657 Cooper Place
 Kamloops, BC V2B 8R8

ROYAL BANK OF CANADA (the “**Bank**”) hereby offers the credit facilities described below (each a “**Credit Facility**” and collectively the “**Credit Facilities**”) subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the “**Agreement**”). Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches or Events of Default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach or Event of Default.

BORROWER

Vernon Recreational Products (VRP) Sales and Service Ltd. (the “**Borrower**”)

CREDIT FACILITIES

The following Credit Facilities are available in favour of the Borrower in the amounts set out below and at the interest rates set out below:

Form of Credit Facility	Amount	Interest Rate (per annum)
New RV Facility (Northwood)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Northwood)	* US Dollar equivalent of up to \$4,000,000.00.00	CF Rate US (Float) + 0.80%
New RV Facility (Forest River)	* Up to \$4,000,000	CF Rate (Float) + 0.80%
New RV Facility (Forest River)	* US Dollar equivalent of up to \$4,000,000.00.00	CF Rate US (Float) + 0.80%
New RV Facility (Bigfoot)	* Up to \$4,000,000	CF Rate (Float) + 0.80%
New RV Facility (Bigfoot)	* US Dollar equivalent of up to \$4,000,000.00.00	CF Rate US (Float) + 0.80%
New RV Facility (Westland)	* Up to \$4,000,000	CF Rate (Float) + 0.80%
New RV Facility (Westland) ¹	* US Dollar equivalent of up to \$4,000,000.00.00	CF Rate US (Float) + 0.80%
New RV Facility (Thor)	* Up to \$4,000,000	CF Rate (Float) + 0.80%
New RV Facility (Thor)	* US Dollar equivalent of up to \$4,000,000.00.00	CF Rate US (Float) + 0.80%
Used RV Facility	Up to \$500,000.00	CF Rate (Float) + 0.85%
Operating Facility	Up to \$300,000.00	As set out below

¹ Registered Trademark of Royal Bank of Canada

Form of Credit Facility	Amount	Interest Rate (per annum)
Term Facility Segment 1 (undrawn)	\$531,000.00	RBP + 0.75%
Term Facility Segment 2 (undrawn)	Up to \$1,250,000.00 to be determined at time of drawdown and set out in a Bank approved Term Facility Advance Request	To be determined at time of drawdown and set out in a Bank approved Term Facility Advance Request
Term Facility Segment 3 (undrawn)	Up to \$1,250,000.00 to be determined at time of drawdown and set out in a Bank approved Term Facility Advance Request	To be determined at time of drawdown and set out in a Bank approved Term Facility Advance Request
Term Facility Segment 4 (undrawn)	\$400,000.00	RBP + 0.75%
Other – Credit Card	Up to \$65,000.00, available in Canadian currency and US currency	To be set out in a separate Agreement between the Borrower and the Bank

* Notwithstanding the Credit Facility amounts described above, the total amount of Advances outstanding under each of the New RV Facility (Northwood), New RV Facility (Forest River), New RV Facility (Bigfoot), New RV Facility (Westland) and New RV Facility (Thor) on a combined basis shall not at any time exceed \$4,000,000.00.

TEMPORARY INCREASE

At any time or times upon receipt of a request from the Borrower for a temporary increase in the amount of an Auto Finance Facility, the Bank may, in its discretion and without any obligation to do so, agree to a temporary increase in the amount of such Credit Facility by way of a written notice given to the Borrower specifying the amount of such temporary increase and the date on which such temporary increase shall expire, and upon the giving of such written notice by the Bank this Agreement shall be deemed to be amended so as to increase the amount of such Credit Facility for the period of time commencing on the delivery of such notice and ending on (i) the expiration date specified in such notice, or (ii) where no expiration date is specified in such notice, the date that is sixty (60) days after the date that such notice is given, and upon the expiration of such period of time the amount of such Credit Facility shall automatically return to the amount in effect before such increase was granted; provided that any temporary increase pursuant to this provision shall be subject to all other applicable provisions of this Agreement and be without prejudice to all rights and remedies of the Bank hereunder including, without limitation, the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary Credit Facility. Unless otherwise set out in the written notice delivered to the Borrower, during the period that the temporary increase is in effect, the combined limit of each New RV Facility (Northwood), New RV Facility (Forest River), New RV Facility (Bigfoot), New RV Facility (Westland) and New RV Facility (Thor) made available to the Borrower, as set out above, shall increase by the amount of the temporary increase.

NEW RV FACILITY (NORTHWOOD)

Each of the Credit Facilities referred to above as “New RV Facility (Northwood)” consist of a revolving demand facility that may be borrowed by way of CF Rate Advances (Float) or CF rate US Advances (Float) at the interest rate set out above opposite such Credit Facility.

AVAILABILITY

Subject to the terms hereof, the Borrower of a New RV Facility (Northwood) may, by making Advance Requests, borrow, repay and re-borrow up to the amount of such Credit Facility provided that (i) such Credit Facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice, and (ii) an Event of Default shall not have occurred and be continuing at the time of any Advance.

Advances under a New RV Facility (Northwood) shall be made available subject to the following:

- each Advance shall only be made to finance the purchase of a New RV or a New RV Demonstrator manufactured by Northwood Manufacturing Inc.;
- the amount of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not exceed 100% of the Acquisition Cost of such New RV or New RV Demonstrator, including application of the US exchange rate, if applicable;

- c) the total amount outstanding in respect of Advances made to finance the purchase of New RVs that have not been repaid 365 days after the date of the initial Advance thereof shall not at any time exceed 10% of the total amount authorized under a Credit Facility;
- d) the total amount outstanding in respect of Advances made to finance the purchase of New RV Demonstrators shall not at any time exceed 10% of the total amount authorized under a Credit Facility;
- e) the amount outstanding in respect of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not at any time be less than \$5,000 unless such Advance is otherwise being reduced by scheduled monthly repayments or otherwise repaid in full in accordance with the repayment provisions of the Credit Facility; and
- f) no further Advances shall be made in respect of a New RV or a New RV Demonstrator following the repayment in full of any prior Advance made in respect of such vehicle.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Advances under a New RV Facility (Northwood) are repayable on demand.

Without otherwise limiting the Bank's right to make demand hereunder, the Borrower of a New RV Facility (Northwood) shall repay Advances made under such Credit Facility as follows:

- a) the principal amount outstanding in respect of each Advance shall be repaid in full by the Borrower immediately upon the earlier of: (i) five (5) Business Days from the date of delivery of the related RV to a third party purchaser; and (ii) the date of the Borrower's receipt of proceeds of any recoveries under insurance policies in respect of the related RV;
- b) if the principal amount outstanding in respect of any Advance related to a New RV has not been repaid in full on the date that is 365 days after the date that such Advance was made, then the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 635 days after the date of such Advance;
- c) if at any time the aggregate principal amount outstanding in respect of all Advances related to New RV's are greater than 365 days old exceeds 10% of the total amount authorized under such Credit Facility, then the Borrower shall immediately repay the amount of such excess; and
- d) with respect to any Advance related to a New RV Demonstrator, including an Advance relating to a New RV that has been converted into a New RV Demonstrator, the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 180 days after the date of such Advance or conversion, as applicable.

NEW RV FACILITY (FOREST RIVER)

Each of the Credit Facilities referred to above as "New RV Facility (Forest River)" consist of a revolving demand facility that may be borrowed by way of CF Rate Advances (Float) or CF rate US Advances (Float) at the interest rate set out above opposite such Credit Facility.

AVAILABILITY

Subject to the terms hereof, the Borrower of a New RV Facility (Forest River) may, by making Advance Requests, borrow, repay and re-borrow up to the amount of such Credit Facility provided that (i) such Credit Facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice, and (ii) an Event of Default shall not have occurred and be continuing at the time of any Advance.

Advances under a New RV Facility (Forest River) shall be made available subject to the following:

- a) each Advance shall only be made to finance the purchase of a New RV or a New RV Demonstrator manufactured by Forest River Inc.;
- b) the amount of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not exceed 100% of the Acquisition Cost of such New RV or New RV Demonstrator, including application of the US exchange rate, if applicable;
- c) the total amount outstanding in respect of Advances made to finance the purchase of New RVs that have not been repaid 365 days after the date of the initial Advance thereof shall not at any time exceed 10% of the total amount authorized under a Credit Facility;

- d) the total amount outstanding in respect of Advances made to finance the purchase of New RV Demonstrators shall not at any time exceed 10% of the total amount authorized under a Credit Facility;
- e) the amount outstanding in respect of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not at any time be less than \$5,000 unless such Advance is otherwise being reduced by scheduled monthly repayments or otherwise repaid in full in accordance with the repayment provisions of the Credit Facility; and
- f) no further Advances shall be made in respect of a New RV or a New RV Demonstrator following the repayment in full of any prior Advance made in respect of such vehicle.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Advances under a New RV Facility (Forest River) are repayable on demand.

Without otherwise limiting the Bank's right to make demand hereunder, the Borrower of a New RV Facility (Forest River) shall repay Advances made under such Credit Facility as follows:

- a) the principal amount outstanding in respect of each Advance shall be repaid in full by the Borrower immediately upon the earlier of: (i) five (5) Business Days from the date of delivery of the related RV to a third party purchaser; and (ii) the date of the Borrower's receipt of proceeds of any recoveries under insurance policies in respect of the related RV;
- b) if the principal amount outstanding in respect of any Advance related to a New RV has not been repaid in full on the date that is 365 days after the date that such Advance was made, then the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 635 days after the date of such Advance;
- c) if at any time the aggregate principal amount outstanding in respect of all Advances related to New RV's are greater than 365 days old exceeds 10% of the total amount authorized under such Credit Facility, then the Borrower shall immediately repay the amount of such excess; and
- d) with respect to any Advance related to a New RV Demonstrator, including an Advance relating to a New RV that has been converted into a New RV Demonstrator, the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 180 days after the date of such Advance or conversion, as applicable.

NEW RV FACILITY (BIGFOOT)

Each of the Credit Facilities referred to above as "New RV Facility (Bigfoot)" consist of a revolving demand facility that may be borrowed by way of CF Rate Advances (Float) or CF rate US Advances (Float) at the interest rate set out above opposite such Credit Facility.

AVAILABILITY

Subject to the terms hereof, the Borrower of a New RV Facility (Bigfoot) may, by making Advance Requests, borrow, repay and re-borrow up to the amount of such Credit Facility provided that (i) such Credit Facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice, and (ii) an Event of Default shall not have occurred and be continuing at the time of any Advance.

Advances under a New RV Facility (Bigfoot) shall be made available subject to the following:

- a) each Advance shall only be made to finance the purchase of a New RV or a New RV Demonstrator manufactured by Bigfoot Industries (2010) Inc., o/a Bigfoot RV;
- b) the amount of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not exceed 100% of the Acquisition Cost of such New RV or New RV Demonstrator, including application of the US exchange rate, if applicable;
- c) the total amount outstanding in respect of Advances made to finance the purchase of New RVs that have not been repaid 365 days after the date of the initial Advance thereof shall not at any time exceed 10% of the total amount authorized under a Credit Facility;
- d) the total amount outstanding in respect of Advances made to finance the purchase of New RV Demonstrators shall not at any time exceed 10% of the total amount authorized under a Credit Facility;

- e) the amount outstanding in respect of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not at any time be less than \$5,000 unless such Advance is otherwise being reduced by scheduled monthly repayments or otherwise repaid in full in accordance with the repayment provisions of the Credit Facility; and
- f) no further Advances shall be made in respect of a New RV or a New RV Demonstrator following the repayment in full of any prior Advance made in respect of such vehicle.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Advances under a New RV Facility (Bigfoot) are repayable on demand.

Without otherwise limiting the Bank's right to make demand hereunder, the Borrower of a New RV Facility (Bigfoot) shall repay Advances made under such Credit Facility as follows:

- a) the principal amount outstanding in respect of each Advance shall be repaid in full by the Borrower immediately upon the earlier of: (i) five (5) Business Days from the date of delivery of the related RV to a third party purchaser; and (ii) the date of the Borrower's receipt of proceeds of any recoveries under insurance policies in respect of the related RV;
- b) if the principal amount outstanding in respect of any Advance related to a New RV has not been repaid in full on the date that is 365 days after the date that such Advance was made, then the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 635 days after the date of such Advance;
- c) if at any time the aggregate principal amount outstanding in respect of all Advances related to New RV's are greater than 365 days old exceeds 10% of the total amount authorized under such Credit Facility, then the Borrower shall immediately repay the amount of such excess; and
- d) with respect to any Advance related to a New RV Demonstrator, including an Advance relating to a New RV that has been converted into a New RV Demonstrator, the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 180 days after the date of such Advance or conversion, as applicable.

NEW RV FACILITY (WESTLAND)

Each of the Credit Facilities referred to above as "New RV Facility (Westland)" consist of a revolving demand facility that may be borrowed by way of CF Rate Advances (Float) or CF rate US Advances (Float) at the interest rate set out above opposite such Credit Facility.

AVAILABILITY

Subject to the terms hereof, the Borrower of a New RV Facility (Westland) may, by making Advance Requests, borrow, repay and re-borrow up to the amount of such Credit Facility provided that (i) such Credit Facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice, and (ii) an Event of Default shall not have occurred and be continuing at the time of any Advance.

Advances under a New RV Facility (Westland) shall be made available subject to the following:

- a) each Advance shall only be made to finance the purchase of a New RV or a New RV Demonstrator manufactured by Westland RV Manufacturing Ltd.;
- b) the amount of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not exceed 100% of the Acquisition Cost of such New RV or New RV Demonstrator, including application of the US exchange rate, if applicable;
- c) the total amount outstanding in respect of Advances made to finance the purchase of New RVs that have not been repaid 365 days after the date of the initial Advance thereof shall not at any time exceed 10% of the total amount authorized under a Credit Facility;
- d) the total amount outstanding in respect of Advances made to finance the purchase of New RV Demonstrators shall not at any time exceed 10% of the total amount authorized under a Credit Facility;
- e) the amount outstanding in respect of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not at any time be less than \$5,000 unless such Advance is otherwise being reduced by

- scheduled monthly repayments or otherwise repaid in full in accordance with the repayment provisions of the Credit Facility; and
- f) no further Advances shall be made in respect of a New RV or a New RV Demonstrator following the repayment in full of any prior Advance made in respect of such vehicle.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Advances under a New RV Facility (Westland) are repayable on demand.

Without otherwise limiting the Bank's right to make demand hereunder, the Borrower of a New RV Facility (Westland) shall repay Advances made under such Credit Facility as follows:

- a) the principal amount outstanding in respect of each Advance shall be repaid in full by the Borrower immediately upon the earlier of: (i) five (5) Business Days from the date of delivery of the related RV to a third party purchaser; and (ii) the date of the Borrower's receipt of proceeds of any recoveries under insurance policies in respect of the related RV;
- b) if the principal amount outstanding in respect of any Advance related to a New RV has not been repaid in full on the date that is 365 days after the date that such Advance was made, then the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 635 days after the date of such Advance;
- c) if at any time the aggregate principal amount outstanding in respect of all Advances related to New RV's are greater than 365 days old exceeds 10% of the total amount authorized under such Credit Facility, then the Borrower shall immediately repay the amount of such excess; and
- d) with respect to any Advance related to a New RV Demonstrator, including an Advance relating to a New RV that has been converted into a New RV Demonstrator, the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 180 days after the date of such Advance or conversion, as applicable.

NEW RV FACILITY (THOR)

Each of the Credit Facilities referred to above as "New RV Facility (Thor)" consist of a revolving demand facility that may be borrowed by way of CF Rate Advances (Float) or CF rate US Advances (Float) at the interest rate set out above opposite such Credit Facility.

AVAILABILITY

Subject to the terms hereof, the Borrower of a New RV Facility (Thor) may, by making Advance Requests, borrow, repay and re-borrow up to the amount of such Credit Facility provided that (i) such Credit Facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice, and (ii) an Event of Default shall not have occurred and be continuing at the time of any Advance.

Advances under a New RV Facility (Thor) shall be made available subject to the following:

- a) each Advance shall only be made to finance the purchase of a New RV or a New RV Demonstrator manufactured by Thor Industries, Inc. or Heartland Recreational Vehicles, LLC;
- b) the amount of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not exceed 100% of the Acquisition Cost of such New RV or New RV Demonstrator, including application of the US exchange rate, if applicable;
- c) the total amount outstanding in respect of Advances made to finance the purchase of New RVs that have not been repaid 365 days after the date of the initial Advance thereof shall not at any time exceed 10% of the total amount authorized under a Credit Facility;
- d) the total amount outstanding in respect of Advances made to finance the purchase of New RV Demonstrators shall not at any time exceed 10% of the total amount authorized under a Credit Facility;
- e) the amount outstanding in respect of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not at any time be less than \$5,000 unless such Advance is otherwise being reduced by scheduled monthly repayments or otherwise repaid in full in accordance with the repayment provisions of the Credit Facility; and

- f) no further Advances shall be made in respect of a New RV or a New RV Demonstrator following the repayment in full of any prior Advance made in respect of such vehicle.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Advances under a New RV Facility (Thor) are repayable on demand.

Without otherwise limiting the Bank's right to make demand hereunder, the Borrower of a New RV Facility (Thor) shall repay Advances made under such Credit Facility as follows:

- a) the principal amount outstanding in respect of each Advance shall be repaid in full by the Borrower immediately upon the earlier of: (i) five (5) Business Days from the date of delivery of the related RV to a third party purchaser; and (ii) the date of the Borrower's receipt of proceeds of any recoveries under insurance policies in respect of the related RV;
- b) if the principal amount outstanding in respect of any Advance related to a New RV has not been repaid in full on the date that is 365 days after the date that such Advance was made, then the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 635 days after the date of such Advance;
- c) if at any time the aggregate principal amount outstanding in respect of all Advances related to New RV's are greater than 365 days old exceeds 10% of the total amount authorized under such Credit Facility, then the Borrower shall immediately repay the amount of such excess; and
- d) with respect to any Advance related to a New RV Demonstrator, including an Advance relating to a New RV that has been converted into a New RV Demonstrator, the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 180 days after the date of such Advance or conversion, as applicable.

USED RV FACILITY

The Credit Facility referred to above as a "Used RV Facility" consists of a revolving demand facility that may be borrowed by way of CF Rate Advances (Float) at the interest rate set out above opposite such Credit Facility.

AVAILABILITY

Subject to the terms hereof, the Borrower of a Used RV Facility may, by making Advance Requests, borrow, repay and reborrow up to the amount of such Credit Facility provided that (i) such Credit Facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice, and (ii) an Event of Default shall not have occurred and be continuing at the time of any Advance.

Advances under a Used RV Facility shall be made available subject to the following:

- a) each Advance shall only be made to finance the purchase of a Used RV, a Used RV Demonstrator or Used Equipment;
- b) the amount of any Advance made to finance the purchase of a Used RV or a Used RV Demonstrator shall not exceed the lesser of (i) 100% of the Acquisition Cost of such Used RV or Used RV Demonstrator excluding GST/HST and (ii) 100% of the current Wholesale Value of such Used RV or Used RV Demonstrator;
- c) the amount of any Advance made to finance the purchase of a Used Equipment that is HD Trucks, MD Trucks, Commercial Highway Trailers, Light Industrial Equipment and Heavy Equipment shall not exceed the lesser of: (i) 100% of the Acquisition Cost of such Used Equipment, and (ii) 100% of the current Wholesale Value of such Used Equipment;
- d) the amount of any Advance made to finance the purchase of a Used Equipment that is Agricultural Equipment and School Buses / Passenger Coaches shall not exceed the lesser of: (i) 70% of the Acquisition Cost of such Used Leased Equipment, and (ii) 70% of the current Wholesale Value of such Used Equipment;
- e) the amount of any Advance made to finance the purchase of a Used Equipment that is Boxed Commercial Trailers, Motorcycle, Recreational Power Products, and Boats and Marine Products shall not exceed the lesser of: (i) 50% of the Acquisition Cost of such Used Equipment, and (ii) 50% of the current Wholesale Value of such Leased Equipment;

- f) the total amount outstanding in respect of Advances made to finance the purchase of Used RV's, Used RV Demonstrators or Used Equipment that have not been repaid 180 days after the date of the initial Advance thereof shall not at any time exceed 10% of the total amount outstanding under the Credit Facility;
- g) the total amount outstanding in respect of Advances made to finance the purchase of Used RV Demonstrators shall not at any time exceed 5% of the total amount authorized under the Credit Facility;
- h) the amount outstanding in respect of any Advance made to finance the purchase of a Used RV, a Used RV Demonstrator or a Used Equipment shall not be less than \$5,000 unless such Advance is otherwise being reduced by scheduled monthly repayments or otherwise repaid in full in accordance with the repayment provisions of the Credit Facility; and
- i) no further Advances shall be made in respect of a Used RV, a Used Demonstrator RV or a Used Equipment following the repayment in full of any prior Advance made in respect of such vehicle or equipment.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Advances under a Used RV Facility are repayable on demand.

Without otherwise limiting the Bank's right to make demand hereunder, the Borrower of a Used RV Facility shall repay Advances made under such Credit Facility as follows:

- a) the principal amount outstanding in respect of each Advance shall be repaid in full by the Borrower immediately upon the earlier of: (i) five (5) Business Days from the date of delivery of the related RV or Used Equipment to a third party purchaser, and (ii) the date of the Borrower's receipt of proceeds of any recoveries under insurance policies in respect of the related RV or Used Equipment;
- b) if the principal amount outstanding in respect of any Advance related to a Used RV has not been repaid in full on the date that is 180 days after the date that such Advance was made, then the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance with the balance of such Advance to be repaid in full on the date that is 450 days after the date of such Advance;
- c) if at any time the aggregate principal amount outstanding in respect of all Advances related to Used RV's, Used RV Demonstrators and Used Equipment are greater than 180 days old exceeds 10% of the total amount authorized under this Credit Facility, then the Borrower shall immediately repay the amount of such excess;
- d) with respect to any Advance related to a Used Equipment or a Used RV Demonstrator, including an Advance relating to a Used RV that has been converted into a Used RV Demonstrator, the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance with the balance of such Advance to be repaid in full on the date that is 180 days after the date of such Advance or conversion, as applicable.

OPERATING FACILITY

The Credit Facility referred to above as an "Operating Facility" consists of a revolving demand facility that may be borrowed by way of:

- a) RBP Advances

Revolve in increments of:	\$5,000.00	Minimum retained balance:	\$0.00
Revolved by:	Bank	Interest rate (per annum):	RBP + 0.50%

- b) Letters of Credit

Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts.

- c) Letters of Guarantee

Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower's accounts. Minimum fee of \$100.

AVAILABILITY

Subject to the terms hereof, the Borrower of an Operating Facility may borrow, repay and reborrow up to the amount of such Credit Facility provided that (i) such Credit Facility is made available at the sole discretion of the Bank and

the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice, and (ii) an Event of Default shall not have occurred and be continuing at the time of any Advance.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, and regardless of the maturities of any outstanding instruments or contracts, Advances under an Operating Facility are repayable on demand.

GENERAL ACCOUNT

The Borrower of an Operating Facility shall establish a current account with the Bank (the “General Account”) for the conduct of the Borrower’s day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of the General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available RBP Advances under the Credit Facility; and
- b) if such position is a credit balance, where the Credit Facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any outstanding RBP Advances under the Credit Facility.

TERM FACILITY

Each Credit Facility referred to above as a “Term Facility” consists of a non-revolving term facility that may be borrowed by way of:

- a) Term Facility Segment 1: RBP Advances at the interest rate set out above opposite such Credit Facility.
- b) Term Facility Segment 2: RBP Advances or fixed rate term loans (“FRT Loans”), as selected by the Borrower at the time of drawdown and set out in a non-revolving term facility advance request substantially in the form of Schedule “G” attached hereto that is executed by the Borrower and approved by the Bank and that contains the applicable Bank approved interest rate and repayment terms (a “Term Facility Advance Request”).
- c) Term Facility Segment 3: RBP Advances or FRT Loans, as selected by the Borrower at the time of drawdown and set out in a Term Facility Advance Request that is executed by the Borrower and approved by the Bank and that contains the applicable Bank approved interest rate and repayment terms.
- d) Term Facility Segment 4: RBP Advances at the interest rate set out above opposite such Credit Facility.

AVAILABILITY

The Borrower of any undrawn Term Facility may borrow up to the amount of the Credit Facility provided the Credit Facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of the Credit Facility at any time from time to time without notice.

REPAYMENT OF TERM FACILITY SEGMENT 1

Payment Amount:	\$2,950.00 plus interest	Payment Frequency:	Monthly
Payment Type:	Principal Plus Interest	First payment date:	30 days from drawdown
Repayable in full on:	March 1, 2026	Original Amortization (months):	180 months

In addition to the foregoing, upon full repayment of Term Facility Segment 4, the Borrower agrees to an annual cash sweep within 45 days of the Borrower’s fiscal year end up the maximum amount, where the amount of cash applied by the Borrower to repayment Term Facility Segment 1 will not cause a breach of any financial covenant contained in this Agreement. The Borrower agrees that these cash sweeps will occur on an annual basis until such time as either (a) both Term Facility Segment 1 and Term Facility Segment 4 have been repaid in full, or (ii) the principal amount outstanding pursuant to all Term Facilities is equal to or less than \$2,598,000.

REPAYMENT OF TERM FACILITY SEGMENT 2

The specific repayment terms for Advances under this Term Facility will be agreed to between the Borrower and the Bank at the time of drawdown by way of a Bank approved Term Facility Advance Request.

REPAYMENT OF TERM FACILITY SEGMENT 3

The specific repayment terms for Advances under this Term Facility will be agreed to between the Borrower and the Bank at the time of drawdown by way of a Bank approved Term Facility Advance Request.

REPAYMENT OF TERM FACILITY SEGMENT 4

Payment Amount:	\$6,666.67 plus interest	Payment Frequency:	Monthly
Payment Type:	Principal Plus Interest	First payment date:	30 days from drawdown
Repayable in full on:	March 15, 2023	Original Amortization (months):	180 months

In addition to the foregoing, the Borrower agrees to an annual cash sweep within 45 days of the Borrower's fiscal year end up the maximum amount, where the amount of cash applied by the Borrower to repayment Term Facility Segment 4 will not cause a breach of any financial covenant contained in this Agreement. The Borrower agrees that these cash sweeps will occur on an annual basis until such time Term Facility Segment 4 has been repaid in full.

OTHER FACILITIES

The Credit Facilities described above as "Other" will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

FEES

The following fees shall be payable in respect of the Credit Facilities:

- a) Account Management Fee in the amount of \$125.00 payable on a monthly basis in respect of the Operating Facility; and
- b) Application Set-up Fee in the amount of \$2,500.00 payable one time only.

SECURITY

Security for the Advances and all other obligations of the Borrower to the Bank (collectively, the "Security"), shall include the following together with such other security as may reasonably be required by the Bank from time to time in order to preserve and protect the interest of the Bank in the property, assets and undertaking of the Borrower and each Guarantor:

- a) Security under section 427 of the *Bank Act* (Canada) granted by the Borrower constituting a first charge on all inventory;
- b) General security agreement on the Bank's form 924 signed by the Borrower constituting a security interest in all personal property;
- c) Security agreement (Dealer Inventory) on the Bank's standard form signed by the Borrower constituting a security interest in all motor vehicle inventory;
- d) Collateral mortgage in the amount of \$4,330,000.00 signed by the Borrower constituting a first fixed charge on the lands and improvements municipally and legally described as (i) 6395 Highway 97, Vernon, BC, being Lot A Section 14 Township 8 Osoyoos Division Yale District Plan KAP47732; (ii) 6255 Highway 97, Vernon, BC, being Lot 2 Sections 11 and 14 Township 8 Osoyoos Division Yale District Plan 27607, except Plan H16713; and (iii) 6256 Highway 97, Vernon, BC, being Lot 6 Section 11 Township 8 Osoyoos Division Yale District Plan 25512 (collectively, the "Lands");
- e) Guarantee and postponement of claim on the Bank's form 812 signed by Douglas Thibault in respect of the indebtedness of the Borrower;
- f) Guarantee and postponement of claim on the Bank's form 812 signed by Michael Goodwin in respect of the indebtedness of the Borrower;
- g) Guarantee and postponement of claim on the Bank's form 812 signed by Murray B Sullivan in respect of the indebtedness of the Borrower;
- h) Postponement and assignment of claim on the Bank's form 918 signed by Douglas Thibault in respect of the indebtedness of the Borrower;
- i) Postponement and assignment of claim on the Bank's form 918 signed by Michael Goodwin in respect of the indebtedness of the Borrower;
- j) Postponement and assignment of claim on the Bank's form 918 signed by Murray B Sullivan in respect of the indebtedness of the Borrower;
- k) Manufacturer repurchase agreement from Northwood Manufacturing Inc.;

- l) Manufacturer repurchase agreement from Forest River Inc.;
- m) Manufacturer repurchase agreement from Bigfoot Industries (2010) Inc., operating as Bigfoot RV;
- n) Manufacturer repurchase agreement from Westland RV Manufacturing Ltd.;
- o) Manufacturer repurchase agreement from Thor Industries, Inc.;
- p) Manufacturer repurchase agreement from Heartland Recreational Vehicles, LLC; and
- q) Landlord consent and waiver signed by landlord for the Lands.

FINANCIAL COVENANTS

In the event that the Borrower and any Guarantor changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary Credit Facility or while any Advances remain outstanding under any Term Facility, the Borrower covenants and agrees with the Bank that it will:

- a) maintain a ratio of Total Liabilities to Tangible Net Worth of not more than 4.5:1, to be measured as at the end of each month;
- b) maintain a ratio of Current Assets to Current Liabilities of not less than:
 - (i) 1.16:1, to be measured at the end of each month up to and including July 31, 2021; or
 - (ii) 1.2:1, to be measured as at the end of each month commencing August 31, 2021; and
- c) maintain Debt Service Coverage of not less than 1.5:1, to be measured as at the end of each fiscal year.

Additionally, the Borrower covenants and agrees with the Bank that it will not, without the Bank's prior written consent, make any Corporate Distribution if an Event of Default has occurred and is continuing at the time of such Corporate Distribution or if the making of such Corporate Distribution will otherwise result in an Event of Default.

REPORTING REQUIREMENTS

The Borrower and the Guarantors will provide the following financial information to the Bank, in a form satisfactory to the Bank, together with such other financial and operating statements and reports as and when the Bank may reasonably require:

- a) monthly internally prepared financial statements for the Borrower within 30 days of each month end;
- b) monthly Compliance Certificate, substantially in the form of Schedule "E" to this Agreement signed by an authorized signing officer of the Borrower, within 30 days of each month end, certifying compliance with this Agreement including the financial covenants set forth in this Agreement;
- c) annual financial statements for the Borrower prepared on a review engagement basis, within 120 days of each fiscal year end;
- d) biennial personal statement of affairs for Douglas Thibault in conjunction with this Agreement and by April 30 of every second year commencing 2023;
- e) biennial personal statement of affairs for Michael Goodwin in conjunction with this Agreement and by April 30 of every second year commencing 2023; and
- f) biennial personal statement of affairs for Murray Sullivan by April 30 in conjunction with this Agreement and by April 30 of every second year commencing 2023.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof or any Advance thereunder be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) a copy of the Borrower's franchise, sales and service, repurchase or similar agreements, if any;
- d) a certificate as to corporate and general matters certified by a director or officer of the Borrower or any Guarantor to which shall be attached certified copies of: (i) its constating documents, including its by-laws dealing with the borrowing of money, the giving of financial assistance and security and the execution of documents; and (ii) the corporate proceedings taken by it authorizing it to execute, deliver and perform its obligations under this Agreement and any other Credit Documents;

- e) certificates of insurance noting the Bank as loss payee, mortgagee and/or additional insured, as applicable, evidencing that the covenants and conditions of this Agreement concerning insurance coverage are being complied with and containing the standard mortgage clause, as applicable;
- f) reliance letter from Rivard & Associates Real Estate Appraisal & Consultation, confirming that the appraisal reports dated December 21, 2020 in respect of the Lands can be relied on by the Bank;
- g) the Bank shall perform an inventory audit of the Borrower, which audit shall be satisfactory to the Bank;
- h) the Bank shall have received a fully executed copy of the asset purchase agreement between the Borrower, as purchaser, and Mike Rosman RV, as vendor, in form and content satisfactory to the Bank;
- i) such financial and other information or documents relating to the Borrower or any Guarantor as the Bank may reasonably require; and
- j) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally:

- k) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank;
- l) (i) all representations and warranties contained in this Agreement and the other Credit Documents are true and accurate as of the date of each Advance hereunder; (ii) such Advance will not require any third party consent or entitle any third party to accelerate a debt owing to it; and (iii) the Security remains in full force and effect;
- m) no breach or default in respect of this Agreement or any other Credit Document has occurred and is continuing, or would result from the making of such Advance;
- n) no event or circumstances has occurred and is continuing, or would result from the making of such Advance, which by itself or together with other past or then existing events or circumstances, constitutes or may constitute or cause or may cause a material adverse change in the business prospects or financial condition or property or assets of the Borrower since the end of the respective periods covered by the last financial statements in respect of the Borrower that have been delivered to the Bank;
- o) no Advance under an Auto Finance Facility shall be made available unless the Bank has received an Advance Request from the Borrower;
- p) no Advance under any Term Facility shall be made available unless the Bank has received a Term Facility Advance Request;
- q) with respect to any Financed Vehicle being financed hereunder, the Bank shall have received (i) at its request, a copy of the invoice/bill of sale (including any value added options) and/or the vehicle registration relating to such Financed Vehicle; and (ii) an executed copy of an assignment in favour of the Bank of any and all conditional sales contracts between the Borrower and the manufacturer of such Financed Vehicle; and
- r) at the request of the Bank, the Borrower will complete a Bank Environmental Questionnaire to the satisfaction of the Bank.

GOVERNING LAW JURISDICTION

Province of British Columbia.

ACCEPTANCE

This Agreement is open for acceptance until March 9, 2021, after which date it will be null and void, unless extended in writing by the Bank.

ROYAL BANK OF CANADA

Per: 

Name: Jonathan Zaleski

Title: Senior Commercial Account Manager

We acknowledge and accept the terms and conditions of this Agreement on this 09 day of March, 2021.

Vernon Recreational Products (VRP) Sales and Service Ltd.

Per: 

Name: Murray Sullivan

Title: _____

Per: 

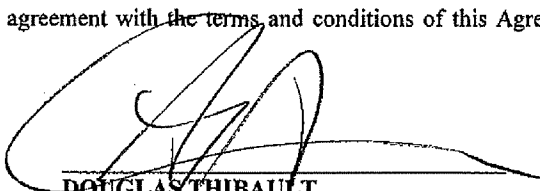
Name: DOUGLAS THIBAUT

Title: _____


I/We have authority to bind the Borrower

As Guarantor, I acknowledge and confirm my agreement with the terms and conditions of this Agreement on this 9 day of MARCH, 2021.


Witness Gerald Watson

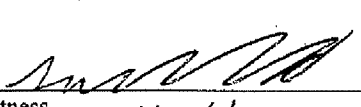

DOUGLAS THIBAUT

As Guarantor, I acknowledge and confirm my agreement with the terms and conditions of this Agreement on this 9 day of MARCH, 2021.


Witness Gerald Watson


MICHAEL GOODWIN

As Guarantor, I acknowledge and confirm my agreement with the terms and conditions of this Agreement on this 09 day of March, 2021.


Witness Gerald Watson


MURRAY B SULLIVAN

GERALD K. WATSON
Barrister & Solicitor • Notary Public
#103 206 SEYMOUR STREET
KAMLOOPS BC V2C 2E5
Ph (250) 372-8803 Fax 372-8004

\BLG\msd

\attachments:

Terms and Conditions

Schedules:

- Definitions
- Calculation and Payment of Interest and Fees
- Locations and Jurisdictions
- Shareholders
- Additional Advance Conditions
- Compliance Certificate
- Non-Revolving Term Facility – Advance Request

TERMS AND CONDITIONS

The Bank is requested to make the Credit Facilities available in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In the event that there are multiple Borrowers listed in the Credit Facilities section of this Agreement then each reference in these Terms and Conditions and Schedules to "the Borrower" shall mean each such Borrower or all such Borrowers or the relevant Borrower under the applicable Credit Facility, as the context so provides.

In consideration of the Bank making the Credit Facilities available, the Borrower, agrees with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Advance. Unless the Bank otherwise agrees, any payment hereunder must be made in money that is legal tender at the time of payment. In the case of a demand Credit Facility of any kind, the Borrower shall repay all principal sums outstanding under such Credit Facility upon demand including, without limitation, an amount equal to the face amount of all LCs and LGs that are unmatured or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Advances. Where any Advances are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Advance, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Advances repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Advances being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected when making Advances will be such so as to enable the Borrower to meet its repayment obligations. For any Advances that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Advance shall automatically be amended accordingly.

In the case of any Term Facility, provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("**Renewal Letter**") to the Borrower setting out the terms upon which the Bank is prepared to extend the Term Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Term Facility is not repaid on or before the applicable Maturity Date, then at the Bank's option the Term Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly. If the Bank renews or extends any Term Facility beyond its Maturity Date, an additional renewal fee may be payable in connection with any such renewal in such amount as the Bank may determine and notify the Borrower.

PREPAYMENT

Where Advances are by way of CF Rate Advance (Float) or RBP Advances, the Borrower may prepay such Advances in whole or in part without fee or premium, provided that, in the case of a prepayment of any Advance used to finance the purchase of a Floor Plan Vehicle, such prepayment does not reduce such Advance below any minimum balance requirement set out in this Agreement.

Where Advances are by way of FRT Loans, provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay such Advances on a non-cumulative basis up to the percentage, as selected by the Borrower for each FRT Loan and approved by the Bank of the outstanding principal balance on the day of prepayment, without fee or premium, once per year during the 12 month period from each anniversary date of the Advance. Any prepayment of Advances by way of FRT Loans prior to the maturity date, in whole or in part (in excess of any prepayment explicitly permitted in this Agreement), requires an amendment of the terms of this Agreement. An amendment to permit such a prepayment requires the Bank's prior written consent. The Bank may provide its consent to an amendment to permit a prepayment upon satisfaction by the Borrower of any conditions the Bank may reasonably impose, including, without limitation, the Borrower's agreement to pay the Prepayment Fee, as defined below.

The "Prepayment Fee" will be calculated by the Bank as the sum of:

- a) the greater of:

- (i) the amount equal to 3 months' interest payable on the amount of the FRT Loan Advances being prepaid, calculated at the interest rate applicable to the FRT Loan Advances on the date of prepayment; and
- (ii) the present value of the cash flow associated with the difference between the Bank's original cost of funds for the FRT Loan and the current cost of funds for a loan with a term substantially similar to the remaining term of the FRT Loan and an amortization period substantially similar to the remaining amortization period of the FRT Loan, each as determined by the Bank on the date of such prepayment;

plus:

b) foregone margin over the remainder of the term of the FRT Loan. Foregone margin is defined as the present value of the difference between the Bank's original cost of funds for the FRT Loan and the interest that would have been charged to the Borrower over the remaining term of the FRT Loan;

plus:

c) a processing fee.

The Prepayment Fee shall also be payable by the Borrower in the event that the Bank demands repayment of the outstanding principal of the FRT Loan on the occurrence of an Event of Default.

The Borrower's obligation to pay the Prepayment Fee will be in addition to any other amounts then owing by the Borrower to the Bank, will form part of the loan amount and will be secured by the Security described herein.

The prepayment of any Advances under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "**Accounts**") evidencing the Advances made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Advances, the payment of principal and interest on account of the Advances, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

RBC OVERDRIVE SERVICE

The Borrower of an Auto Finance Facility shall use the RBC-OVERDRIVE service (the "**Service**") in connection with such Credit Facility. The Service will permit the Borrower to perform certain transactions on its accounts via the internet, using security passwords and user identification numbers (collectively, the "**Access Codes**") selected by the Bank. More particularly, the Service will permit the Borrower to communicate with the Bank by electronic means for the purpose of (a) viewing account information, (b) viewing billing statements, (c) making an Advance Request, (d) authorizing loan payments and (e) performing any additional transactions as may be available using features added to the Service by the Bank from time to time.

The Borrower agrees that use of the Service will be conducted in accordance with the terms and conditions outlined in a separate agreement entered into between the Bank and the Borrower in connection with the Service (the "**Overdrive Agreement**"), as revised from time to time, and the Bank's rules and manuals of operation, copies of which have been made available to the Borrower concurrent with the execution of the Agreement and that the Borrower acknowledges having reviewed.

The Borrower authorizes the person named as the System Administrator (as defined in Schedule "A" to the Overdrive Agreement) to receive from the Bank any software and any security devices, including Access Codes, related to the Service, to determine and set levels and limits of authority applicable to security devices, including Access Codes, to designate alternates and to receive revisions to the Bank's rules and manuals of operation related to the Service.

RBC DEALER PORTAL

The Borrower of an Auto Finance Facility may use the dealer portal service located at <https://rbc.portalsubmission.com> (the "Dealer Portal") in connection with such Credit Facility. The Dealer Portal will permit the Borrower to perform certain reporting functions with respect to its accounts via the internet. More particularly, the Dealer Portal will permit the Borrower to communicate with the Bank by electronic means for the purpose of (a) uploading financial statements, Compliance Certificates and related reporting documents and (b) performing any additional functions as may be available using features added to the Dealer Portal by the Bank from time to time.

The Borrower agrees that use of the Dealer Portal will be conducted in accordance with the legal terms of use outlined in the Dealer Portal, as revised from time to time, and the Bank's rules and manuals of operation, copies of which have been made available to the Borrower concurrent with the execution of the Agreement and that the Borrower acknowledges having reviewed.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary Credit Facility, the Borrower covenants and agrees with the Bank that it:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will do or cause to be done all things necessary to keep in full force and effect its corporate existence and all rights, franchises, sales and service agreements, licenses, permits, approvals and qualifications necessary to carry on its business or own property in each jurisdiction in which it carries on business or owns property;
- c) will use the proceeds of the Credit Facilities as contemplated herein and not for the benefit or on behalf of any Person other than the Borrower;
- d) will immediately advise the Bank of any event that constitutes or which, with notice, lapse of time or both, would constitute an Event of Default;
- e) will promptly notify the Bank of any environmental investigation, charge, study, audit, order or similar action or proceeding with respect to any property or assets, or of any contamination of any property or assets, of the Borrower;
- f) will file all material tax returns that are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- g) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- h) will abandon the use of the dry well for the disposal of the glycol and will dispose of the glycol per the procedures providing in writing by the Borrower to the Bank;
- i) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses that the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- j) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- k) will immediately advise the Bank of any unfavourable change in its financial position that may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement and the Security;
- l) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets including, business interruption, liability, property insurance, contingent lessor's automobile insurance, and in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- m) will ensure that all insurance policies will be in form and substance satisfactory to the Bank and will: (a) contain a breach of warranty clause in favour of the Bank, (b) provide that no cancellation, material reduction in amount or material change in coverage will be effective until at least 30 days after receipt of written notice thereof by the Bank, (c) name the Bank as loss payee as its interest may appear or, in the case of liability policies, as additional insured and in the event that the Bank is a mortgagee it will name the Bank as mortgagee and contain by way of endorsement a standard mortgage clause in form and substance satisfactory to the Bank;
- n) will advise the Bank of any change in the information contained in Schedule "C" annexed hereto;
- o) will give the Bank thirty (30) days prior notice in writing of any intended change in its ownership structure or composition or that of any Guarantor, as set out in Schedule "D" annexed hereto and will not make or facilitate any such changes without the prior written consent of the Bank;

- p) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any Encumbrance affecting any of its properties, assets or other rights or that of any Guarantor;
- q) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- r) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person;
- s) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank. Without limiting the generality of the foregoing, the Bank may at any time and from time to time in its sole and absolute discretion perform an audit and/or physical inspection of the vehicle inventory of the Borrower;
- t) will not create, assume, incur or permit to exist any indebtedness or liabilities (including Contingent Liabilities) except for (i) indebtedness in favour of the Bank, (ii) unsecured accounts payable and accrued liabilities incurred by the Borrower in the ordinary course of business, (iii) indebtedness incurred in relation to Permitted Encumbrances, and (iv) any indebtedness or liabilities to which the Bank specifically consents in writing from time to time; and
- u) will not avail itself of any Credit Facilities established in its favour where such availment would cause the total amount of Advances made thereunder to exceed the maximum principal amount authorized at the time of availment.

REPRESENTATIONS AND WARRANTIES

The Borrower and each Guarantor, jointly and severally, represents and warrants to the Bank that:

- a) the Borrower is duly incorporated, validly existing and duly registered or qualified to carry on business in each jurisdiction in which its business or assets are located;
- b) the execution, delivery and performance by it of this Agreement have been duly authorized by all necessary actions, do not violate its constituting documents, if applicable, or any Applicable Laws or other agreements to which it is subject or by which it is bound;
- c) no event has occurred that constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default;
- d) it has no liabilities (including Contingent Liabilities) that are not fully disclosed herein or reflected in the financial statements provided to the Bank for its most recently completed fiscal period, other than liabilities incurred in the ordinary course of its business since the end of such fiscal period or liabilities otherwise consented to by the Bank, and all financial statements that have been furnished by it to the Bank are complete and accurate and present fairly its assets, liabilities and financial position as of the dates referred to therein;
- e) it is conducting its business and operations in compliance with its articles and by-laws and all Applicable Laws in all material respects (including Environmental and Health and Safety Laws) and it has obtained and maintained in good standing all licences, permits and approvals required in respect of its operations;
- f) it is not insolvent nor will it be insolvent immediately following the completion of the transactions contemplated by, or referred to in, any of the Credit Documents;
- g) it does not carry on business or otherwise have assets in any jurisdiction or at any address other than the jurisdictions and at the addresses within those jurisdictions set forth in Schedule "C" to this Agreement;
- h) its registered office, principal place of business and chief executive office, and the location where most of its record are kept, are as set out in Schedule "C" to this Agreement;
- i) other than as disclosed to the Bank as at the date hereof, it does not own any real property or have any interests therein and is not bound by any agreement to own or lease any real property;
- j) all the direct and indirect issued and outstanding shares in the Borrower's capital and the registered and beneficial ownership of such shares is as set forth in Schedule "D" to this Agreement, and there are no outstanding warrants, options or rights to purchase or otherwise acquire any shares in the Borrower's capital and no such securities are convertible into or exchangeable for any such shares;
- k) all information provided, or to be provided from time to time, to the Bank in connection with the Credit Facilities is true and correct and none of the documentation furnished to the Bank omits or will omit as of such time a material fact necessary to make the statements contained therein not misleading;
- l) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency that (i) relates to any non-compliance with any Environmental and Health and Safety Laws, or (ii) which, if adversely determined, might have a material adverse

- effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware that might give rise to any such proceeding that it has not fully disclosed to the Bank; and
- m) it has good and marketable title to all of its properties and assets, free and clear of any Encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be given jointly and severally by all Borrowers and Guarantors and deemed to be repeated as at the time of each Advance hereunder.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary Credit Facility, each of the following shall constitute an “Event of Default” which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any Credit Facilities, together with outstanding accrued interest and any other indebtedness under or with respect to any Credit Facilities, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower or any Guarantor to observe any covenant, term or condition contained in this Agreement, the Security, or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower or any Guarantor is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower or any Guarantor, or to have the Borrower or any Guarantor declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower or any Guarantor, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership or operation of the Borrower or any Guarantor;
- f) if any representation or warranty made under this Agreement or in any other document relating hereto or under any Security shall be false in any material respect;
- g) if the Borrower or any Guarantor defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated;
- h) if the Borrower or any Guarantor ceases (voluntarily or involuntarily) or threatens to cease to carry on its business, or changes the nature or the scope of its business, without the Bank’s prior written consent;
- i) if the Borrower or any Guarantor permits any other event of default that might reasonably be expected to materially and adversely affect the assets of the Borrower or any Guarantor secured by the Security to occur and to continue after any applicable grace period specified in such agreements or instruments;
- j) if the Borrower or any Guarantor denies its obligations under any Credit Documents to which it is a party or claims any of the Credit Documents to which it is a party to be invalid or withdrawn in whole or in part; or any of the Credit Documents is invalidated by any act, regulation or governmental action or is determined to be invalid by a court or other judicial entity and such determination has not been stayed pending appeal;
- k) if a final judgment, writ of execution, garnishment or attachment or similar process is issued or levied against any of the assets, undertaking or property of the Borrower or any Guarantor, and such judgment, writ, execution, garnishment, attachment or similar process is not released, bonded, satisfied, discharged, vacated or stayed within the permitted timeframe following its entry, commencement or levy; and
- l) if in the opinion of the Bank there is a material adverse change in the environmental condition of the assets, undertaking or property or business activities of the Borrower or any Guarantor.

Should the Bank demand immediate repayment in full of any amounts outstanding under any Credit Facilities due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such Credit Facilities and all other obligations in connection with any such Credit Facilities including, without limitation, an amount equal to the face amount of all LCs and LGs that are unmatured or unexpired, which amount shall be held by the Bank as security for the Borrower’s obligations to the Bank in respect of such Advances.

FEEs, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees, as stipulated in this Agreement. The Borrower also agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, operation, enforcement or termination of this Agreement and the Security. The Borrower shall indemnify and hold the Bank

harmless against any loss, cost or expense incurred by the Bank if any Credit Facility is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any Credit Facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor, and iv) the breach of or non-compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Unless otherwise agreed to by the Bank in writing, costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor (including, any such information provided by the Borrower and any Guarantor to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower and any Guarantor irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower or a Guarantor in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by email transmission or telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a Business Day, and otherwise on the next such Business Day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) Business Days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address, email or telecopier number.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several with each other such Person.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "**Paper Record**") into electronic images (each, an "**Electronic Image**") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

CONSULTANT

If the Bank reasonably believes that the financial condition of the Borrower has significantly deteriorated, or the accounting or business procedures of the Borrower are materially flawed, or if the Bank or the Borrower disagrees with regard to the compliance with any term or condition of this Agreement and such disagreement has remained unresolved for a period of thirty (30) days, then in addition to, or in substitution for any inspection otherwise permitted hereunder or pursuant to any other agreement between the parties hereto, at the request of the Bank the Borrower will appoint a consultant from a list of major, nationally recognized accounting firms presented to the Borrower by the Bank, at the Borrower's expense and on such terms as are acceptable to the Bank. Such consultant will be given the full and complete cooperation of the Borrower including, without limitation, unrestricted access to land and premises of the Borrower and any documents and records of or related to the Borrower's business. The Borrower acknowledges and agrees that the appointment of the consultant will not constitute the consultant or the Bank to be managing the business and affairs of the Borrower.

FURTHER ASSURANCES

The Borrower and any Guarantor shall, from time to time, do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including certificates, declarations, affidavits, reports and opinions) and things as the Bank may reasonably request for the purpose of giving effect to this Agreement and any other Credit Documents, perfecting, protecting and maintaining the Encumbrances created by the Security or establishing compliance with the representations, warranties and conditions of this Agreement or any other Credit Documents.

CONFLICT

It is agreed that to the extent that any term, condition, representation, covenant or other provision contained in any other Credit Documents is at any time inconsistent or conflicts with any term, condition, representation, covenant or other provision contained in this Agreement, then unless otherwise provided herein, this Agreement shall govern, other than as to amount.

DEFINITIONS

For the purpose of this Agreement, the following terms and phrases shall have the following meanings:

"Acquisition Cost" means the price paid by the Borrower to acquire a Financed Vehicle, whether to the manufacturer, dealer or other unrelated seller, including without duplication, the price paid for any value added options (such as battery charger, sleeper, mobile crane, box liner, step side, skid plates and power winch), less any manufacturer holdbacks, discounts, rebates, incentives, reductions, trade-in allowances, deposits and down payments of any kind, and which, in respect of a RV, shall also include without duplication, GST/HST and freight charges, except in the case of a Dealer Trade in which case GST/HST and freight charges shall be excluded.

"Advance" means each use of a Credit Facility and all such usages outstanding at any time are **"Advances"**.

"Advance Request" means a request for an Advance by the Borrower using the Service or other format agreed upon by the Borrower and the Bank.

"Agricultural Equipment" means serialized farm equipment such as combines, harvesters, tractors, crop sprayers, tillers and manure spreaders.

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction.

"Auto Finance Facility" means a New RV Facility and Used RV Facility.

"Agricultural Equipment" means serialized farm equipment such as combines, harvesters, tractors, crop sprayers, tillers and manure spreaders.

"Boats and Marine Products" means a new or used watercraft, boat, or motor designed for recreational or commercial use on water and a boat or watercraft trailer.

"Boxed Commercial Trailers" means office and construction trailers.

"Business Day" means a day, excluding Saturday, Sunday and any other day that shall be a legal holiday or a day on which banking institutions are closed throughout Canada.

"Cash Taxes" means, for any fiscal period, any amounts paid in respect of income taxes.

"CF Rate Advance (Float)" means an Advance in Canadian currency bearing interest based on the CF Rate (Float) in effect from time to time, as provided in this Agreement.

"CF Rate Advance US (Float)" means an Advance in US currency bearing interest at a variable rate based on the CF Rate US (Float) in effect from time to time, as provided in this Agreement.

"CF Rate (Float)" means on any given date, the variable rate of interest expressed as a percentage per annum based on RBC Automotive Finance cost of funds adjusted by the Bank and published weekly on the Service in respect of the applicable Financed Vehicle.

"CF Rate US (Float)" means on any given date, the variable rate of interest expressed as a percentage per annum based on RBC Automotive Finance cost of funds adjusted by the Bank and published weekly on the Service in respect of the applicable New Floor Plan Vehicle.

"Commercial Highway Trailers" means highway transport trailers, tankers, flat beds, reefer trailers and other specialized trailers.

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law.

"Contingent Liabilities" means, with respect to any Person, (i) any obligation of such Person guaranteeing or indemnifying, or in effect guaranteeing or indemnifying, any indebtedness or other monetary obligations (the **"primary obligations"**) of any other Person (the **"primary obligor"**) in any manner, whether directly or indirectly, (ii) any obligation of such Person to assure or hold harmless the obligee under such primary obligation against loss in respect of such primary obligation, and (iii) any obligation of such Person to redeem or otherwise repurchase any of its shares or other ownership interests (unless such obligation has been postponed by the owner of such shares or other ownership interests or otherwise restricted in favour of the Bank).

"Corporate Distribution" means any payment to any shareholder, director or officer of the Borrower, or to any associate or holder of debt of the Borrower (whether or not such debt is postponed or subordinated), or to any shareholder, director or officer of any associate or holder of debt of the Borrower, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business.

"Credit Documents" means this Agreement, the Security and any other document or agreement relating to the Credit Facilities, the Security and/or this Agreement, as the same may be added to, amended, superseded or replaced from time to time.

"Current Assets" means, at any time, those assets ordinarily realizable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year other than advances to related parties and other than receivables owing by related parties unless such receivables are trade receivables arising in the ordinary course of business.

"Current Liabilities" means, at any time, amounts payable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year (the operating cycle must correspond with that used for current assets).

"Dealer Trade" means the acquisition by the Borrower of a New Financed Vehicle from another dealer.

"Debt Service Coverage" means, for any fiscal period, the ratio of EBITDA and Discretionary Management Fees / Bonuses, less Corporate Distributions and Cash Taxes, to the total of Interest Expense and scheduled annual principal payments in respect of Funded Debt;

"Discretionary Management Fees / Bonuses" means payments to shareholders and affiliates that are not contractually required, do not represent repayment of an advance or redemption / retraction of shares, and represent discretionary income to the recipient.

"EBITDA" means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period.

"Encumbrance" means any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, consignment, lease, security or other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or obligation (including Contingent Liabilities).

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater.

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity.

"Equity" means the total of share capital, (excluding the redeemable value of preferred shares that are not otherwise postponed to the Bank) contributed surplus and retained earnings plus Postponed Debt less any future income tax liability.

"Financed Vehicle" means a RV or a Used Equipment.

"Funded Debt" means, at any time for the fiscal period then ended, all obligations for borrowed money that bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt.

"Guarantor" means any Person who has guaranteed the obligations of the Borrower under this Agreement.

"HD Trucks" means heavy-duty trucks that are designated as Class 7 or Class 8 and have a gross vehicle weight of 26,001 pounds or greater (but specifically excluding Class 9 trucks), including attachments such as cargo box, dump box and other customized up-fit packages.

"Heavy Equipment" means bulldozers, excavators, graders, backhoes, loaders, cranes, cherry-pickers, street sweepers, pile drivers, boom trucks, compactors, wood water processors and off-highway trucks, and other mobile industrial equipment such as equipment used in drilling, forestry, landscaping, recycling, mining and civil construction.

"Interest Expense" means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances and excluding manufacturer or distributor interest credits.

"Interest Payment Date" means the 1st day of each calendar month or such other day as may be agreed to between the Borrower and the Bank.

"Letter of Credit" or **"LC"** means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of paying suppliers of goods.

"Letter of Guarantee" or **"LG"** means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party.

"Light Industrial Equipment" means lift trucks, fork lifts, utility vehicles and bobcats.

"Maturity Date" means the date on which a Credit Facility is due and payable in full.

"MD Trucks" means medium-duty trucks that are designated as Class 4 or Class 6 and have a gross vehicle weight of 16,001 pounds or greater but not exceeding 26,000 pounds, including dump trucks, flat bed trucks, service trucks, utility trucks and mechanic trucks.

"Motorcycle" means a two- or three-wheeled motor vehicle.

"New Financed Vehicle" means a New RV.

"New RV" means a RV from the current model year or immediately prior model year (based on a calendar year) which: (i) is to be acquired by the Borrower from the manufacturer or from another dealer by way of a Dealer Trade; (ii) has not been driven more than 300 kilometres; and (iii) has not previously been plated and/or registered to an owner under Applicable Laws except to another dealer if acquired by way of a Dealer Trade.

"New RV Demonstrator" means a new RV from the current model year or the immediately prior model year (based on a calendar year) which: (i) is to be acquired by the Borrower from the manufacturer or from another dealer by way of a Dealer Trade; (ii) is to be used by the Borrower as a demonstrator/courtesy RV at its place of business; (iii) has been driven not more than 24,000 kilometres per model year; and (iv) has not previously been plated and/or registered

to an owner other than the Borrower under Applicable Laws except to another dealer if acquired by way of a Dealer Trade.

"Permitted Encumbrances" means, in respect of the Borrower or any Guarantor:

- a) Encumbrances arising by operation of law for amounts not yet due or delinquent, minor Encumbrances on real property such as easements and rights of way that do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower or any Guarantor in the ordinary course of business;
- b) any Encumbrance consented to in writing by the Bank; and
- c) any Encumbrance granted in favour of the Bank.

"Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof including Canada Revenue Agency, and any other incorporated or unincorporated entity.

"Postponed Debt" means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder and that for purposes of this definition also includes the postponement of all redemption rights in respect of any redeemable preferred shares.

"Potential Prior-Ranking Claims" means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement.

"RBP Advance" means an Advance in Canadian currency bearing interest based on Royal Bank Prime as provided for in this Agreement.

"RBC Automotive Finance" means the Automotive Finance Group of the Royal Bank of Canada.

"RBP" and **"Royal Bank Prime"** each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada.

"Recreational Power Products" means motorized products used for recreational purposes including, without limitation, ATVs, side by sides and sleds.

"Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning.

"RV" means a recreational vehicle or trailer of a make and model acceptable to the Bank which is to be sold or held for sale by the Borrower at its place of business.

"School Buses / Passenger Coaches" means a school bus or passenger coach of a make and model acceptable to the Bank.

"Tangible Net Worth" means the total of Equity plus \$1,330,000 (being additional value of the real property that, for tax purposes, was booked as goodwill) less intangible assets, including but not limited to prepaid expenses and deposits, deferred charges, leasehold improvements, deferred tax credits, goodwill (excluding \$1,330,000 being the additional value of the real property that, for tax purposes, was booked as goodwill), unsecured advances to related parties and accounts receivable from related parties arising outside the normal course of business.

"Total Liabilities" means all liabilities (including the value of any Contingent Liabilities), exclusive of deferred tax liabilities and Postponed Debt.

"Used Equipment" means HD Trucks, RV Vehicles, Agricultural Equipment, School Buses / Passenger Coaches, MD Trucks, Light Industrial Equipment, Commercial Highway Trailers, Heavy Equipment, Boxed Commercial Trailers, Motorcycle, Recreational Power Products, and Boats and Marine Products, of a make and model acceptable to the Bank.

“Used Financed Vehicle” means a Used RV.

“Used RV” means a RV of model years acceptable to the Bank and which does not otherwise qualify as a New RV.

“Used RV Demonstrator” means a used RV of model years acceptable to the Bank (based on a calendar year) which: (i) is to be used by the Borrower as a demonstrator/courtesy vehicle at its place of business; (ii) has been driven not more than 24,000 kilometres per model year; and (iii) which does not otherwise qualify as a New RV, New RV Demonstrator or Used RV.

“Wholesale Value” means, with respect to a Used Financed Vehicle, (i) the “clean” designation value of such vehicle as determined by the current Canadian Black Book, or (ii) where the said vehicle is not included in the Canadian Black Book, the wholesale value determined by the Bank may, in its discretion, based on NADA, Price Digests, Kelly Blue Book, Auto Trader or other market data or market sources, together with any applicable regional adjustments.

CALCULATION AND PAYMENT OF INTEREST AND FEES**LIMIT ON INTEREST**

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

The Borrower confirms that it fully understands and is able to calculate the rate of interest applicable to the Credit Facility(ies) based on the methodology for calculating per annum rates provided for in this Agreement. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to this Agreement, that the interest payable under this Agreement and the calculation thereof has not been adequately disclosed to the Borrower, whether pursuant to section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

RBP ADVANCES

The Borrower shall pay interest on each RBP Advance, monthly in arrears, on the 26th day of each month or such other day as may be agreed to between the Borrower and the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Advance.

CF RATE ADVANCE (FLOAT)

The Borrower shall pay interest on each CF Rate Advance (Float), monthly in arrears, on each Interest Payment Date. Such interest will be calculated and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Advance.

LETTER OF CREDIT FEES

The Borrower shall pay a LC fee on the date of issuance of any LC calculated on the face amount of the LC issued, based upon the number of days in the term and a year of 365 days.

LETTER OF GUARANTEE FEES

The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable.

FRT LOANS

The Borrower shall pay interest on each Advance in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.

LOCATIONS AND JURISDICTIONS**BORROWER:**

REGISTERED OFFICE ADDRESS: #103-206 Seymour Street,
Kamloops, BC V2C 2E5

PRINCIPAL PLACE OF BUSINESS ADDRESS: 6395 Hwy 97, Vernon, BC, V1B 3R4

CHIEF EXECUTIVE OFFICE ADDRESS: " " "

LOCATION OF RECORDS ADDRESS(ES): " " "

ADDRESS(ES) OF LOCATION(S) OF ASSETS: " " "

SHAREHOLDERS

BORROWER:

Shareholder	Number of Shares	Class of Shares (specify if voting or non-voting)
Murray Blair Sullivan	400 A, 400 B	A voting, B non-voting
Michael Roy Goodwin	400 A, 400 B	" "
Douglas Robert Thibault	200 A, 200 B	" "

ADDITIONAL ADVANCE CONDITIONS**LCs or LGs:**

Advances made by way of LCs or LGs will be subject to the following terms and conditions:

- a) each LC and LG shall expire on a Business Day and shall have a term of not more than 365 days;
- b) at least 2 Business Days prior to the issue of an LC or LG, the Borrower shall execute a duly authorized application with respect to such LC or LG and each LC and LG shall be governed by the terms and conditions of the relevant application for such contract;
- c) an LC or LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LC or LG has been obtained;
- d) any LC or LG issued under a term facility must have an expiry date on or before the Maturity Date of the term facility, unless otherwise agreed by the Bank; and
- e) if there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LC or LG, the terms of the application for LC or LG shall govern.

FRT Loans:

FRT Loans will be subject to the following terms and conditions:

- a) each FRT Loan shall have a minimum term of one year
- b) the Borrower shall select an amount eligible for prepayment of 10% or 0% for each new FRT Loan prior to the advance thereof; and
- c) each FRT Loan shall have a term as outlined in the applicable repayment section of each corresponding Credit Facility, provided that the maturity date of any FRT Loan issued under any term facility shall not extend beyond the Maturity Date of the term facility.

COMPLIANCE CERTIFICATE

I, _____, representing Vernon Recreational Products (VRP) Sales and Service Ltd. hereby certify as of [insert last day of month]:

1. I am familiar with and have examined the provisions of the Agreement dated February 9, 2021 and any amendments thereto, between Vernon Recreational Products (VRP) Sales and Service Ltd., as Borrower, and Royal Bank of Canada, as the Bank, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and any Guarantor. Terms defined in the Agreement have the same meanings where used in this certificate.
2. The representations and warranties contained in the Agreement are true and correct.
3. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute an Event of Default and there is no reason to believe that during the next month, any such event or circumstance will occur.
4. The ratio of Current Assets to Current Liabilities of the Borrower is ____:1, being not less than the required ratio of (i) 1.16:1 for months ending on or before July 31, 2021; or (ii) 1.2:1, for months ending on or after August 31, 2021.
5. The ratio of Total Liabilities to Tangible Net Worth of the Borrower is ____:1, being not more than the permitted ratio of 4.5:1.
6. The Debt Service Coverage ratio of the Borrower is ____:1, being not less than the required ratio of 1.5:1.
7. The detailed calculations of the foregoing ratios and covenants is set forth in the addendum annexed hereto and are true and correct in all respects.

Dated this ____ day of _____, 20__.

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

NON-REVOLVING TERM FACILITY ADVANCE REQUEST

Upon and subject to the approval of the Bank, this Non-Revolving Term Facility Advance Request is supplemental to the agreement dated February 9, 2021 and any amendments thereto, between Vernon Recreational Products (VRP) Sales and Service Ltd., as Borrower, and Royal Bank of Canada, as the Bank (the "Agreement"). Capitalized terms shall have the meanings ascribed thereto in the Agreement.

Vernon Recreational Products (VRP) Sales and Service Ltd. hereby requests the following Advance be made to it by the Bank under Term Facility Segment ____:

Date of Advance	
Amount of Advance:	\$
Selected Amortization (in months):	
Advance repayable in full on:	March 1, 2026
Payment Amount:	\$
Selected Payment Frequency:	Monthly
Selected Interest Rate (per annum):	____% (if FRT Loan) or RBC + ____% (if RBP Advance)
Selected Payment Type:	Blended (if FRT Loan) or Principal Plus Interest (if RBP Advance)
Selected Payment Date:	
First Payment Due Date:	30 days from drawdown

Dated this _____ day of _____, 20____.

Vernon Recreational Products (VRP) Sales and Service Ltd.

Per: _____

Name:

Title:

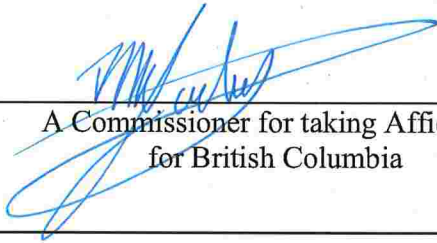
Per: _____

Name:

Title:

I/We have the authority to bind the Borrower

This is **Exhibit "B"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia



Royal Bank of Canada
RBC Automotive Finance
6th Floor, 1055 West Georgia St.
Vancouver, BC V6E 3S5

April 26, 2021

Private and Confidential

Vernon Recreational Products (VRP) Sales and Service Ltd.
657 Cooper Place
Kamloops, BC V2B 8R8

Re: First Amending Agreement

Credit Facilities established by Royal Bank of Canada in favour of Vernon Recreational Products (VRP) Sales and Service Ltd.

Pursuant to an amended and restated credit agreement issued by Royal Bank of Canada (the "Bank") to Vernon Recreational Products (VRP) Sales and Service Ltd., (the "Borrower") on February 9, 2021, and accepted by the Borrower on March 9, 2021 (the "Credit Agreement"), the Bank established certain credit facilities in favour of the Borrower on the terms and conditions set out therein.

The Borrower and the Bank wish to further amend the Credit Agreement in the manner set forth herein.

INTERPRETATION

All words and expressions defined in the Credit Agreement have the same meaning when used herein. Reference to the Credit Agreement includes amendments thereto from time to time, including the amendments made by this amending agreement. All references herein to sections of or schedules to an agreement other than this amending agreement are to sections of and the schedules to the Credit Agreement, unless otherwise expressly stated. Clause headings are for reference only.

EFFECTIVE DATE

The provisions of the Credit Agreement are amended as set out in the amending agreement as from the date of this letter set out above.

AMENDMENTS

1. The section of the Credit Agreement entitled "CREDIT FACILITIES" is amended by deleting the table set out in the section in its entirety and substituting the following therefor:

CREDIT FACILITIES

The following Credit Facilities are available in favour of the Borrower in the amounts set out below and at the interest rates set out below:

Form of Credit Facility	Amount	Interest Rate (per annum)
New RV Facility (Northwood)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Northwood)	* US Dollar equivalent of up to \$4,000,000.00.00	CF Rate US (Float)+ 0.80%
New RV Facility (Forest River)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Forest River)	* US Dollar equivalent of up to \$4,000,000.00	CF Rate US (Float)+ 0.80%
New RV Facility (Thor)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Thor)	* US Dollar equivalent of up to \$4,000,000.00	CF Rate US (Float)+ 0.80%
New RV Facility (Bigfoot)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Westland)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Freight Facility (Trail-X)	* Up to \$400,000.00	CF Rate (Float) + 1.80%
New RV Freight Facility (Cole International)	* Up to \$400,000.00	CF Rate (Float) + 1.80%
Used RV Facility	Up to \$500,000.00	CF Rate (Float) + 0.85%
Operating Facility	Up to \$300,000.00	As set out below
Term Facility Segment 1 (fully drawn)	\$531,000.00	RBP +0.75%
Term Facility Segment 2 (fully drawn)	\$1,250,000.00	2.25%
Term Facility Segment 3 (fully drawn)	\$1,250,000.00	3.12%
Term Facility Segment 4 (full drawn)	\$400,000.00	RBP +0.75%
Other - Credit Card	Up to \$65,000.00, available in Canadian currency and US currency	To be set out in a separate Agreement between the Borrower and the Bank

* Notwithstanding the Credit Facility amounts described above, the total amount of Advances outstanding under each of the New RV Facility (Northwood), New RV Facility (Forest River), New RV Facility (Bigfoot), New RV Facility (Westland), New RV Facility (Thor), New RV Freight Facility (Trail-X) and New RV Freight Facility (Cole International) on a combined basis shall not at any time exceed \$4,000,000.00.

2. The following sections are added to the Credit Agreement:

NEW RV FREIGHT FACILITY (TRAIL-X)

Each of the Credit Facilities referred to above as "New RV Freight Facility (Trail-X)" consist of a revolving demand facility that may be borrowed by way of CF Rate Advances (Float) at the interest rate set out above opposite such Credit Facility.

AVAILABILITY

Subject to the terms hereof, the Borrower of a New RV Freight Facility (Trail-X) may, by making Advance Requests, borrow, repay and re-borrow up to the amount of such Credit Facility provided that (i) such Credit Facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice, and (ii) an Event of Default shall not have occurred and be continuing at the time of any Advance.

Advances under a New RV Freight Facility (Trail-X) shall be made available subject to the following:

- a) each Advance shall only be made to finance the payment of the freight charges associated with the Borrower's purchase of a new RV; and
- b) the amount of any Advance made to finance the payment of the freight charges shall not exceed the price paid by the Borrower to the freight company including, without duplication, as goods and services, retail sales, harmonized sales and like taxes, less any discounts, rebates or reductions of any kind received by the borrower.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Advances under a New RV Freight Facility (Trail-X) are repayable on demand.

Without otherwise limiting the Bank's right to make demand hereunder, the Borrower of a New RV Freight Facility (Trail-X) shall repay Advances made under such Credit Facility as follows:

- a) the principal amount outstanding in respect of each Advance shall be repaid in full by the Borrower immediately upon the earlier of: (i) five (5) Business Days from the date of delivery of the related RV to a third party purchaser; and (ii) the date of the Borrower's receipt of proceeds of any recoveries under insurance policies in respect of the related RV; and
- b) with respect to any Advance, if the related RV has not been sold, the borrower shall repay in full the advance at the next curtailment cycle following 180 days from advance date.

NEW RV FREIGHT FACILITY (COLE INTERNATIONAL)

Each of the Credit Facilities referred to above as "New RV Freight Facility (Cole International)" consist of a revolving demand facility that may be borrowed by way of CF Rate Advances (Float) at the interest rate set out above opposite such Credit Facility.

AVAILABILITY

Subject to the terms hereof, the Borrower of a New RV Freight Facility (Cole International) may, by making Advance Requests, borrow, repay and re-borrow up to the amount of such Credit Facility provided that (i) such Credit Facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice, and (ii) an Event of Default shall not have occurred and be continuing at the time of any Advance.

Advances under a New RV Freight Facility (Cole International) shall be made available subject to the following:

- c) each Advance shall only be made to finance the payment of the freight charges associated with the Borrower's purchase of a new RV; and
- d) the amount of any Advance made to finance the payment of the freight charges shall not exceed the price paid by the Borrower to the freight company including, without duplication, as goods and services, retail sales, harmonized sales and like taxes, less any discounts, rebates or reductions of any kind received by the borrower.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Advances under a New RV Freight Facility (Cole International) are repayable on demand.

Without otherwise limiting the Bank's right to make demand hereunder, the Borrower of a New RV Freight Facility (Cole International) shall repay Advances made under such Credit Facility as follows:

- c) the principal amount outstanding in respect of each Advance shall be repaid in full by the Borrower immediately upon the earlier of: (i) five (5) Business Days from the date of delivery of the related RV to a third party purchaser; and (ii) the date of the Borrower's receipt of proceeds of any recoveries under insurance policies in respect of the related RV; and
 - d) with respect to any Advance, if the related RV has not been sold, the borrower shall repay in full the advance at the next curtailment cycle following 180 days from advance date.
3. The section of the Credit Agreement entitled "REPAYMENT OF TERM FACILITY SEGMENT 4" is amended by deleting the table set out in the section in its entirety and substituting the following therefor:

REPAYMENT OF TERM FACILITY SEGMENT 4

Payment Amount:	\$6,666.67 plus interest	Payment Frequency:	Monthly
Payment Type:	Principal Plus Interest	First payment date:	30 days from drawdown
Repayable in full on:	March 15, 2023	Original Amortization (months):	60 months

REPRESENTATIONS AND WARRANTIES

The borrower represents and warrants to the Bank that the representations and warranties made by the Borrower in the Credit Agreement are true and correct on and as of the date hereof, with the same effect as if those representations and warranties had been made on and as of the date hereof.

The Borrower further represents and warrants to the Bank as follows:

- 1. it has full power and authority to enter into, give and perform this amending agreement;
- 2. the entering into and performance by it of this amending agreement has been duly authorized by all necessary action and will not violate or conflict with its constating documents or any amendments thereto or any provision of any agreement, indenture or arrangement to which it is a party or is bound;
- 3. this amending agreement is, and each of the Credit Documents continue to be, a valid and legal binding obligation enforceable against the Borrower in accordance with its terms, and
- 4. no Event of Default has occurred and is continuing.

MISCELLANEOUS

With the exception of the foregoing amendments, the Credit Agreement continues in full force and effect unamended.

This amending agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including by facsimile transmission or as a pdf attachment to an e-mail) shall constitute an original, but all such counterparts when taken together shall constitute one and the same instrument.

Please indicate your acceptance of this amending agreement by signing and returning the enclosed duplicate copy of this letter.

Yours truly,

ROYAL BANK OF CANADA

By: [Signature]
Jonathan Zaleski
Senior Commercial Account Manager
RBC Automotive Finance

Accepted as of the 28 day of April, 2021

Vernon Recreational Products (VRP) Sales and Service Ltd.

By: [Signature]
Name: Murray Sullivan
Title: PRESIDENT

By: [Signature]
Name: Douglas Thibault
Title: DIRECTOR

I/WE HAVE AUTHORITY TO BIND THE BORROWER

CONSENT(s)

The undersigned hereby acknowledges and consents to the amendment to the Credit Agreement pursuant to this amending agreement and confirms that all Security (as defined in the Credit Agreement) and other documents contemplated by the Credit Agreement to which it is a party, continue in full force and effect, notwithstanding such amendment to the Credit Agreement.

Accepted as of the 28 day of April, 2021

WITNESSED
in the presence of:

[Signature]
Witness
Jacquelyn Bosman
Name
9490 Middleton Place
Address
Coldstream B.C.
Sales Manager
Occupation

[Signature]
DOUGLAS THIBAUT

[signatures continued on next page]

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Accepted as of the 28 day of April, 2021WITNESSED
in the presence of:

Jacquelyn Basman
Witness
Jacquelyn Basman
Name
4490 Middleton Place
Address
Coldstream B.C.
Sales Manager
Occupation

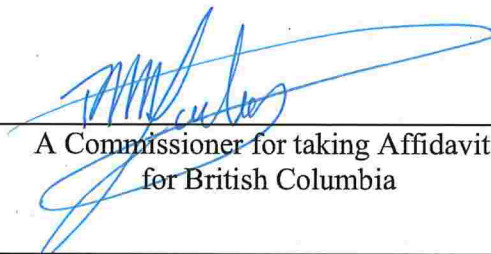
Michael Goodwin
MICHAEL GOODWIN

Accepted as of the 28 day of April, 2021WITNESSED
in the presence of:

Jacquelyn Basman
Witness
Jacquelyn Basman
Name
4490 Middleton Place
Address
Coldstream B.C.
Sales Manager
Occupation

Murray B. Sullivan
MURRAY B. SULLIVAN

This is **Exhibit "C"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia



Royal Bank of Canada
RBC Automotive Finance
6th Floor, 1055 West Georgia St.
Vancouver, BC V6E 3S5

May 12, 2021

Private and Confidential

Vernon Recreational Products (VRP) Sales and Service Ltd.
657 Cooper Place
Kamloops, BC V2B 8R8

Re: Second Amending Agreement

Credit Facilities established by Royal Bank of Canada in favour of Vernon Recreational Products (VRP) Sales and Service Ltd.

Pursuant to an amended and restated credit agreement issued by Royal Bank of Canada (the "Bank") to Vernon Recreational Products (VRP) Sales and Service Ltd., (the "Borrower") on February 9, 2021, and accepted by the Borrower on March 9, 2021 (the "Credit Agreement"), the Bank established certain credit facilities in favour of the Borrower on the terms and conditions set out therein.

The Borrower and the Bank amended the Credit Agreement by amending agreement dated April 26, 2021, issued by the Bank and accepted by the Borrower.

The Borrower and the Bank wish to further amend the Credit Agreement in the manner set forth herein.

INTERPRETATION

All words and expressions defined in the Credit Agreement have the same meaning when used herein. Reference to the Credit Agreement includes amendments thereto from time to time, including the amendments made by this amending agreement. All references herein to sections of or schedules to an agreement other than this amending agreement are to sections of and the schedules to the Credit Agreement, unless otherwise expressly stated. Clause headings are for reference only.

EFFECTIVE DATE

The provisions of the Credit Agreement are amended as set out in the amending agreement as from the date of this letter set out above.

AMENDMENTS

1. The section of the Credit Agreement entitled "CREDIT FACILITIES" is amended by deleting the table set out in the section in its entirety and substituting the following therefor:

CREDIT FACILITIES

The following Credit Facilities are available in favour of the Borrower in the amounts set out below and at the interest rates set out below:

Form of Credit Facility	Amount	Interest Rate (per annum)
New RV Facility (Northwood)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Northwood)	* US Dollar equivalent of up to \$4,000,000.00.00	CF Rate US (Float)+ 0.80%
New RV Facility (Forest River/Coachmen/Sandpiper)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Forest River/Coachmen/Sandpiper)	* US Dollar equivalent of up to \$4,000,000.00	CF Rate US (Float)+ 0.80%
New RV Facility (Thor)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Thor)	* US Dollar equivalent of up to \$4,000,000.00	CF Rate US (Float)+ 0.80%
New RV Facility (SylvanSport)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (SylvanSport)	* US Dollar equivalent of up to \$4,000,000.00	CF Rate US (Float)+ 0.80%
New RV Facility (Bigfoot)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Westland)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Freight Facility (Trail-X)	* Up to \$400,000.00	CF Rate (Float) + 1.80%
New RV Freight Facility (Cole International)	* Up to \$400,000.00	CF Rate (Float) + 1.80%
New RV Freight Facility (Team RV Express)	* Up to \$400,000.00	CF Rate (Float) + 1.80%
Used RV Facility	Up to \$500,000.00	CF Rate (Float) + 0.85%
Operating Facility	Up to \$300,000.00	As set out below
Term Facility Segment 1 (fully drawn)	\$528,050.00	RBP +0.75%
Term Facility Segment 2 (fully drawn)	\$1,244,198.94	2.25%
Term Facility Segment 3 (fully drawn)	\$1,244,609.26	3.12%
Term Facility Segment 4 (full drawn)	\$393,333.33	RBP +0.75%
Other - Credit Card	Up to \$65,000.00, available in Canadian currency and US currency	To be set out in a separate Agreement between the Borrower and the Bank

* Notwithstanding the Credit Facility amounts described above, the total amount of Advances outstanding under each of the New RV Facility (Northwood), New RV Facility (Forest River), New RV Facility (SylvanSport), New RV Facility (Bigfoot), New RV Facility (Westland), New RV Facility (Thor), New RV Freight Facility (Trail-X), New RV Freight Facility (Cole International), and New RV Freight Facility (Team RV Express) on a combined basis shall not at any time exceed \$4,000,000.00.

2. The following sections are added to the Credit Agreement:

NEW RV FACILITY (SYLVAN SPORT)

Each of the Credit Facilities referred to above as "New RV Facility (SylvanSport)" consist of a revolving demand facility that may be borrowed by way of CF Rate Advances (Float) or CF rate US Advances (Float) at the interest rate set out above opposite such Credit Facility.

AVAILABILITY

Subject to the terms hereof, the Borrower of a New RV Facility (SylvanSport) may, by making Advance Requests, borrow, repay and re-borrow up to the amount of such Credit Facility provided that (i) such Credit Facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice, and (ii) an Event of Default shall not have occurred and be continuing at the time of any Advance.

Advances under a New RV Facility (SylvanSport) shall be made available subject to the following:

- a) each Advance shall only be made to finance the purchase of a New RV or a New RV Demonstrator manufactured by SylvanSport;
- b) the amount of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not exceed 100% of the Acquisition Cost of such New RV or New RV Demonstrator, including application of the US exchange rate, if applicable;
- c) the total amount outstanding in respect of Advances made to finance the purchase of New RVs that have not been repaid 365 days after the date of the initial Advance thereof shall not at any time exceed 10% of the total amount authorized under a Credit Facility;
- d) the total amount outstanding in respect of Advances made to finance the purchase of New RV Demonstrators shall not at any time exceed 10% of the total amount authorized under a Credit Facility;
- e) the amount outstanding in respect of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not at any time be less than \$5,000 unless such Advance is otherwise being reduced by scheduled monthly repayments or otherwise repaid in full in accordance with the repayment provisions of the Credit Facility; and
- f) no further Advances shall be made in respect of a New RV or a New RV Demonstrator following the repayment in full of any prior Advance made in respect of such vehicle.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Advances under a New RV Facility (SylvanSport) are repayable on demand.

Without otherwise limiting the Bank's right to make demand hereunder, the Borrower of a New RV Facility (SylvanSport) shall repay Advances made under such Credit Facility as follows:

- a) the principal amount outstanding in respect of each Advance shall be repaid in full by the Borrower immediately upon the earlier of: (i) five (5) Business Days from the date of delivery of the related RV to a third party purchaser; and (ii) the date of the Borrower's receipt of proceeds of any recoveries under insurance policies in respect of the

related RV;

- b) if the principal amount outstanding in respect of any Advance related to a New RV has not been repaid in full on the date that is 365 days after the date that such Advance was made, then the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 635 days after the date of such Advance;
- c) if at any time the aggregate principal amount outstanding in respect of all Advances related to New RV's are greater than 365 days old exceeds 10% of the total amount authorized under such Credit Facility, then the Borrower shall immediately repay the amount of such excess; and
- d) with respect to any Advance related to a New RV Demonstrator, including an Advance relating to a New RV that has been converted into a New RV Demonstrator, the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 180 days after the date of such Advance or conversion, as applicable.

NEW RV FREIGHT FACILITY (TEAM RV EXPRESS)

Each of the Credit Facilities referred to above as "New RV Freight Facility (Team RV Express)" consist of a revolving demand facility that may be borrowed by way of CF Rate Advances (Float) at the interest rate set out above opposite such Credit Facility.

AVAILABILITY

Subject to the terms hereof, the Borrower of a New RV Freight Facility (Team RV Express) may, by making Advance Requests, borrow, repay and re-borrow up to the amount of such Credit Facility provided that (i) such Credit Facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice, and (ii) an Event of Default shall not have occurred and be continuing at the time of any Advance.

Advances under a New RV Freight Facility (Team RV Express) shall be made available subject to the following:

- a) each Advance shall only be made to finance the payment of the freight charges associated with the Borrower's purchase of a new RV; and
- b) the amount of any Advance made to finance the payment of the freight charges shall not exceed the price paid by the Borrower to the freight company including, without duplication, as goods and services, retail sales, harmonized sales and like taxes, less any discounts, rebates or reductions of any kind received by the borrower.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Advances under a New RV Freight Facility (Team RV Express) are repayable on demand.

Without otherwise limiting the Bank's right to make demand hereunder, the Borrower of a New RV Freight Facility (Team RV Express) shall repay Advances made under such Credit Facility as follows:

- c) the principal amount outstanding in respect of each Advance shall be repaid in full by the Borrower immediately upon the earlier of: (i) five (5) Business Days from the date of delivery of the related RV to a third party purchaser; and (ii) the date of the Borrower's receipt of proceeds of any recoveries under insurance policies in respect of the related RV; and
- d) with respect to any Advance, if the related RV has not been sold, the borrower shall repay in full the advance at the next curtailment cycle following 180 days from advance date.

REPRESENTATIONS AND WARRANTIES

The borrower represents and warrants to the Bank that the representations and warranties made by the Borrower in the Credit Agreement are true and correct on and as of the date hereof, with the same effect as if those representations and warranties had been made on and as of the date hereof.

The Borrower further represents and warrants to the Bank as follows:

1. it has full power and authority to enter into, give and perform this amending agreement;
2. the entering into and performance by it of this amending agreement has been duly authorized by all necessary action and will not violate or conflict with its constating documents or any amendments thereto or any provision of any agreement, indenture or arrangement to which it is a party or is bound;
3. this amending agreement is, and each of the Credit Documents continue to be, a valid and legal binding obligation enforceable against the Borrower in accordance with its terms, and
4. no Event of Default has occurred and is continuing.

MISCELLANEOUS

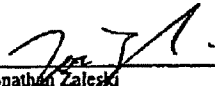
With the exception of the foregoing amendments, the Credit Agreement continues in full force and effect unamended.

This amending agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including by facsimile transmission or as a pdf attachment to an e-mail) shall constitute an original, but all such counterparts when taken together shall constitute one and the same instrument.

Please indicate your acceptance of this amending agreement by signing and returning the enclosed duplicate copy of this letter.


Yours truly,

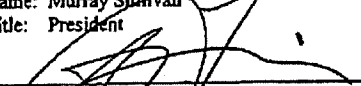
ROYAL BANK OF CANADA

By: 
Jonathan Zaleski
Senior Commercial Account Manager
RBC Automotive Finance

Accepted as of the 13 day of MAY, 2021

Vernon Recreational Products (VRP) Sales and Service Ltd.

By: 
Name: Murray Sullivan
Title: President

By: 
Name: Douglas Dubault
Title: Director

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I/WE HAVE AUTHORITY TO BIND THE BORROWER

(signatures continued on next page)

CONSENT(s)

The undersigned hereby acknowledges and consents to the amendment to the Credit Agreement pursuant to this amending agreement and confirms that all Security (as defined in the Credit Agreement) and other documents contemplated by the Credit Agreement to which it is a party, continue in full force and effect, notwithstanding such amendment to the Credit Agreement.

Accepted as of the 13 day of MAY, 2021WITNESSED
in the presence of:

Witness

JEFF ROSMAN

Name

1703 - 28th Ave

Address

VERNON BCRV PRODUCT SPECIALIST

Occupation

DOUGLAS TRIBAULTAccepted as of the 13 day of MAY, 2021WITNESSED
in the presence of:

Witness

DOUG TRIBAULT

Name

651 COOPER A.

Address

KAMLOOPS BCBusiness Person

Occupation

MICHAEL GOODWIN

[signatures continued on next page]

Accepted as of the 13 day of MAY, 2021

WITNESSED

in the presence of:

Witness

Name DAUGLAS THIRAVULT


Name

657 COOPER PL.


Address

KATHLOOPS BCBUSINESS Person

Occupation


MURRAY B. SULLIVAN

This is **Exhibit "D"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia



Royal Bank of Canada
 RBC Automotive Finance
 6th Floor, 1055 West Georgia St.
 Vancouver, BC V6E 3S5

July 25, 2022

Private and Confidential

Vernon Recreational Products (VRP) Sales and Service Ltd.
 657 Cooper Place
 Kamloops, BC V2B 8R8

Re: Third Amending Agreement

Credit Facilities established by Royal Bank of Canada in favour of Vernon Recreational Products (VRP) Sales and Service Ltd.

Pursuant to an amended and restated credit agreement issued by Royal Bank of Canada (the "Bank") to Vernon Recreational Products (VRP) Sales and Service Ltd., (the "Borrower") on February 9, 2021, and accepted by the Borrower on March 9, 2021 (the "Credit Agreement"), the Bank established certain credit facilities in favour of the Borrower on the terms and conditions set out therein.

The Borrower and the Bank amended the Credit Agreement by amending agreements dated April 26, 2021 and May 12, 2021, issued by the Bank and accepted by the Borrower.

The Borrower and the Bank wish to further amend the Credit Agreement in the manner set forth herein.

INTERPRETATION

All words and expressions defined in the Credit Agreement have the same meaning when used herein. Reference to the Credit Agreement includes amendments thereto from time to time, including the amendments made by this amending agreement. All references herein to sections of or schedules to an agreement other than this amending agreement are to sections of and the schedules to the Credit Agreement, unless otherwise expressly stated. Clause headings are for reference only.

EFFECTIVE DATE

The provisions of the Credit Agreement are amended as set out in the amending agreement as from the date of this letter set out above.

AMENDMENTS

1. The section of the Credit Agreement entitled "CREDIT FACILITIES" is amended by deleting the table set out in the section in its entirety and substituting the following therefor:

CREDIT FACILITIES

The following Credit Facilities are available in favour of the Borrower in the amounts set out below and at the interest rates set out below:

Form of Credit Facility	Amount	Interest Rate (per annum)
New RV Facility (Northwood)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Northwood)	* US Dollar equivalent of up to \$4,000,000.00.00	CF Rate US (Float)+ 0.80%
New RV Facility (Forest River/Coachmen/Sandpiper)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Forest River/Coachmen/Sandpiper)	* US Dollar equivalent of up to \$4,000,000.00	CF Rate US (Float)+ 0.80%
New RV Facility (Thor)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Thor)	* US Dollar equivalent of up to \$4,000,000.00	CF Rate US (Float)+ 0.80%
New RV Facility (SylvanSport)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (SylvanSport)	* US Dollar equivalent of up to \$4,000,000.00	CF Rate US (Float)+ 0.80%
New RV Facility (Riverside)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Riverside)	* US Dollar equivalent of up to \$4,000,000.00	CF Rate US (Float)+ 0.80%
New RV Facility (Bigfoot)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Facility (Westland)	* Up to \$4,000,000.00	CF Rate (Float) + 0.80%
New RV Freight Facility (Trail-X)	* Up to \$400,000.00	CF Rate (Float) + 1.80%
New RV Freight Facility (Cole International)	* Up to \$400,000.00	CF Rate (Float) + 1.80%
New RV Freight Facility (Team RV Express)	* Up to \$400,000.00	CF Rate (Float) + 1.80%
Used RV Facility	Up to \$1,000,000.00	CF Rate (Float) + 0.85%
Operating Facility	Up to \$300,000.00	RBP + 0.50%
Term Facility Segment 1 (fully drawn)	\$1,244,198.94	2.25%
Term Facility Segment 2 (fully drawn)	\$1,244,609.26	3.12%
Term Facility Segment 3 (fully drawn)	\$293,333.28	RBP + 0.75%
Other - Credit Card	Up to \$65,000.00, available in Canadian currency and US currency	To be set out in a separate Agreement between the Borrower and the Bank

* Notwithstanding the Credit Facility amounts described above, the total amount of Advances outstanding under each of the New RV Facility (Northwood and all of its subsidiaries), New RV Facility (Forest River/Coachmen/Sandpiper and all of its subsidiaries), New RV Facility (SylvanSport), New RV Facility (Riverside), New RV Facility (Bigfoot), New RV Facility (Westland), New RV Facility (Thor), New RV Freight Facility (Trail-X), New RV Freight Facility (Cole International), and New RV Freight Facility (Team RV Express) on a combined basis shall not at any time exceed \$4,000,000.00.

2. The following sections are added to the Credit Agreement:

NEW RV FACILITY (RIVERSIDE)

Each of the Credit Facilities referred to above as "New RV Facility (Riverside)" consist of a revolving demand facility that may be borrowed by way of CF Rate Advances (Float) or CF rate US Advances (Float) at the interest rate set out above opposite such Credit Facility.

AVAILABILITY

Subject to the terms hereof, the Borrower of a New RV Facility (Riverside) may, by making Advance Requests, borrow, repay and re-borrow up to the amount of such Credit Facility provided that (i) such Credit Facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice, and (ii) an Event of Default shall not have occurred and be continuing at the time of any Advance.

Advances under a New RV Facility (Riverside) shall be made available subject to the following:

- a) each Advance shall only be made to finance the purchase of a New RV or a New RV Demonstrator manufactured by Riverside;
- b) the amount of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not exceed 100% of the Acquisition Cost of such New RV or New RV Demonstrator, including application of the US exchange rate, if applicable;
- c) the total amount outstanding in respect of Advances made to finance the purchase of New RVs that have not been repaid 365 days after the date of the initial Advance thereof shall not at any time exceed 10% of the total amount authorized under a Credit Facility;
- d) the total amount outstanding in respect of Advances made to finance the purchase of New RV Demonstrators shall not at any time exceed 10% of the total amount authorized under a Credit Facility;
- e) the amount outstanding in respect of any Advance made to finance the purchase of a New RV or a New RV Demonstrator shall not at any time be less than \$5,000 unless such Advance is otherwise being reduced by scheduled monthly repayments or otherwise repaid in full in accordance with the repayment provisions of the Credit Facility; and
- f) no further Advances shall be made in respect of a New RV or a New RV Demonstrator following the repayment in full of any prior Advance made in respect of such vehicle.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Advances under a New RV Facility (Riverside) are repayable on demand.

Without otherwise limiting the Bank's right to make demand hereunder, the Borrower of a New RV Facility (Riverside) shall repay Advances made under such Credit Facility as follows:

- a) the principal amount outstanding in respect of each Advance shall be repaid in full by the Borrower immediately upon the earlier of: (i) five (5) Business Days from the date of delivery of the related RV to a third party purchaser;

- and (ii) the date of the Borrower's receipt of proceeds of any recoveries under insurance policies in respect of the related RV;
- b) if the principal amount outstanding in respect of any Advance related to a New RV has not been repaid in full on the date that is 365 days after the date that such Advance was made, then the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 635 days after the date of such Advance;
 - c) if at any time the aggregate principal amount outstanding in respect of all Advances related to New RV's are greater than 365 days old exceeds 10% of the total amount authorized under such Credit Facility, then the Borrower shall immediately repay the amount of such excess; and
 - d) with respect to any Advance related to a New RV Demonstrator, including an Advance relating to a New RV that has been converted into a New RV Demonstrator, the Borrower shall repay on the next following Interest Payment Date and on each successive Interest Payment Date thereafter the amount equal to 10% of the original Advance, including GST/HST, with the balance of such Advance to be repaid in full on the date that is 180 days after the date of such Advance or conversion, as applicable.

REPRESENTATIONS AND WARRANTIES

The borrower represents and warrants to the Bank that the representations and warranties made by the Borrower in the Credit Agreement are true and correct on and as of the date hereof, with the same effect as if those representations and warranties had been made on and as of the date hereof.

The Borrower further represents and warrants to the Bank as follows:

- 1. it has full power and authority to enter into, give and perform this amending agreement;
- 2. the entering into and performance by it of this amending agreement has been duly authorized by all necessary action and will not violate or conflict with its constating documents or any amendments thereto or any provision of any agreement, indenture or arrangement to which it is a party or is bound;
- 3. this amending agreement is, and each of the Credit Documents continue to be, a valid and legal binding obligation enforceable against the Borrower in accordance with its terms, and
- 4. no Event of Default has occurred and is continuing.

MISCELLANEOUS

With the exception of the foregoing amendments, the Credit Agreement continues in full force and effect unamended.

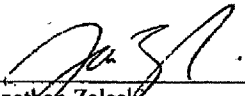
This amending agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including by facsimile transmission or as a pdf attachment to an e-mail) shall constitute an original, but all such counterparts when taken together shall constitute one and the same instrument.

Please indicate your acceptance of this amending agreement by signing and returning the enclosed duplicate copy of this letter.

Yours truly,

ROYAL BANK OF CANADA

By: _____


Jonathan Zaleski
Senior Commercial Account Manager
RBC Automotive Finance

Accepted as of the 12 day of April, 2022

Vernon Recreational Products (VRP) Sales and Service Ltd.

By: _____

Name: Murray Sullivan

Title: President

By: _____

Name: Douglas Thibault

Title: Director

I/WE HAVE AUTHORITY TO BIND THE BORROWER

(signatures continued on next page)

CONSENT(s)

The undersigned hereby acknowledges and consents to the amendment to the Credit Agreement pursuant to this amending agreement and confirms that all Security (as defined in the Credit Agreement) and other documents contemplated by the Credit Agreement to which it is a party, continue in full force and effect, notwithstanding such amendment to the Credit Agreement.

Accepted as of the 28 day of July, 2022

WITNESSED

in the presence of:

Witness

Name

Address

Occupation

Jeff Rosman
1203 28th Ave, Vernon B.C.
Sales

DOUGLAS THIBAUT

Accepted as of the 28th day of July, 2022

WITNESSED

in the presence of:

Witness

Name

Address

Occupation

Bill LEGEBROFF
Box 482 Ft. St. James B.C.
Retired

MICHAEL GOODWIN

(signatures continued on next page)

Accepted as of the 15 day of AUG, 2022

WITNESSED
in the presence of:

Louise Rector

Witness

LOUISE RECTOR

Name

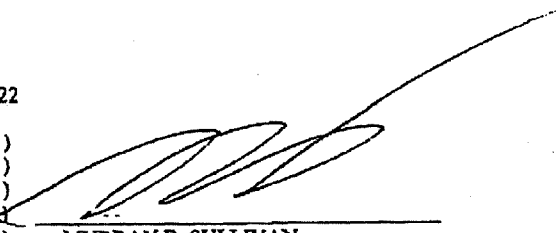
3370 GILLESPIE RD.

Address


HOUSTON B.C. 77012

FINANCE MANAGER

Occupation


MURRAY B. SULLIVAN

This is **Exhibit "E"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia



Royal Bank of Canada
RBC Automotive Finance
6th Floor, 1055 West Georgia St.
Vancouver, BC V6E 3S5

February 1, 2023

Private and Confidential

Vernon Recreational Products (VRP) Sales and Service Ltd.

657 Cooper Place
Kamloops, BC V2B 8R8

Re: Fourth Amending Agreement

Credit Facilities established by Royal Bank of Canada in favour of Vernon Recreational Products (VRP) Sales and Service Ltd.

Pursuant to credit agreement issued by Royal Bank of Canada (the "**Bank**") to Vernon Recreational Products (VRP) Sales and Service Ltd. (the "**Borrower**") on February 9, 2021, and accepted by the Borrower on March 9, 2021 (the "**Credit Agreement**"), the Bank established certain credit facilities in favour of the Borrower on the terms and conditions set out therein.

The Borrower and the Bank amended the Credit Agreement by an amending agreements dated April 26, 2021, May 12, 2021 and July 25, 2022, issued by the Bank and accepted by the Borrower.

The Borrower and the Bank wish to further amend the Credit Agreement in the manner set forth herein.

INTERPRETATION

All words and expressions defined in the Credit Agreement have the same meaning when used herein. Reference to the Credit Agreement includes amendments thereto from time to time, including the amendments made by this amending agreement. All references herein to sections of or schedules to an agreement other than this amending agreement are to sections of and the schedules to the Credit Agreement, unless otherwise expressly stated. Clause headings are for reference only.

EFFECTIVE DATE

The provisions of the Credit Agreement are amended as set out in the amending agreement as from the date of this letter set out above.

AMENDMENTS

1. The section of the Credit Agreement entitled **SECURITY** is amended by the addition of the following as paragraphs r) and s), respectively:
 - r) Guarantee and postponement of claim on the Bank's form 812 signed by 1390951 B.C. Ltd. in respect of the indebtedness of the Borrower; and
 - s) Postponement and assignment of claim on the Bank's form 918 signed by 1390951 B.C. Ltd. in respect of the indebtedness of the Borrower.

2. The section of the Credit Agreement entitled **FINANCIAL COVENANTS** shall be deleted in its entirety and replaced by the following:

FINANCIAL COVENANTS

In the event that the Borrower or any Guarantor changes accounting standards, accounting principles and/or the application of accounting principles during the term of this Agreement, all financial covenants shall be calculated using the accounting standards and principles applicable at the time this Agreement was entered into.

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of any demand or other discretionary Credit Facility or while any Advances remain outstanding under any Term Facility, the Borrower covenants and agrees with the Bank that it will:

- a) maintain, on a combined basis with 1390951 B.C. Ltd., a ratio of Total Liabilities to Tangible Net Worth of not more than (i) 6.0:1 for all months ending on or before June 30, 2023, and (ii) 4.5:1 for all months ending on or after July 31, 2023, to be measured as at the end of each month;
- b) maintain, on a combined basis with 1390951 B.C. Ltd., a ratio of Current Assets to Current Liabilities of not less than (i) 1.1:1 for all months ending on or before June 30, 2023, and (ii) 1.2: for all months ending on or after July 31, 2023, to be measured as at the end of each month; and
- c) maintain, combined basis with 1390951 B.C. Ltd., Debt Service Coverage of not less than 1.5:1, to be measured as at the end of each fiscal year.

Additionally, the Borrower covenants and agrees with the Bank that it will not, without the Bank's prior written consent, make any Corporate Distribution if an Event of Default has occurred and is continuing at the time of such Corporate Distribution or if the making of such Corporate Distribution will otherwise result in an Event of Default.

3. The section of the Credit Agreement entitled **REPORTING REQUIREMENTS** shall be deleted in its entirety and replaced by the following:

REPORTING REQUIREMENTS

The Borrower and the Guarantors will provide the following financial information to the Bank, in a form satisfactory to the Bank, together with such other financial and operating statements and reports as and when the Bank may reasonably require:

- a) monthly internally prepared financial statements for the Borrower, within 30 days of each month end;
- b) monthly combined internally prepared financial statements for the Borrower and 1390951 B.C. Ltd., within 30 days of each month end;
- c) monthly Compliance Certificate, substantially in the form of Schedule "E" to this Agreement signed by an authorized signing officer of the Borrower, within 30 days of each month end, certifying compliance with this Agreement including the financial covenants set forth in this Agreement;
- d) annual financial statements for the Borrower prepared on a review engagement basis, within 120 days of each fiscal year end;
- e) annual financial statements for 1390951 B.C. Ltd. prepared on a review engagement basis, within 120 days of each fiscal year end;
- f) annual combined financial statements for the Borrower and 1390951 B.C. Ltd. prepared on a compilation basis, within 120 days of each fiscal year end;
- g) biennial personal statement of affairs for Douglas Thibault in conjunction with this Agreement and by April 30 of every second year commencing 2023;
- h) biennial personal statement of affairs for Michael Goodwin in conjunction with this Agreement and by April 30 of every second year commencing 2023; and

- i) biennial personal statement of affairs for Murray Sullivan by April 30 in conjunction with this Agreement and by April 30 of every second year commencing 2023.
4. The Schedule F – Compliance Certificate of the Credit Agreement shall be deleted in its entirety and replaced by the Schedule F – Compliance Certificate attached hereto.

REPRESENTATIONS AND WARRANTIES

The Borrower and each Guarantors represents and warrants to the Bank that the representations and warranties made by the Borrower and such Guarantors in the Credit Agreement are true and correct on and as of the date hereof, with the same effect as if those representations and warranties had been made on and as of the date hereof.

The Borrower and each Guarantor further represents and warrants to the Bank as follows:

1. it has full power and authority to enter into, give and perform this amending agreement;
2. the entering into and performance by it of this amending agreement has been duly authorized by all necessary action and will not violate or conflict with its constating documents or any amendments thereto or any provision of any agreement, indenture or arrangement to which it is a party or is bound;
3. this amending agreement is, and each of the Credit Documents continue to be, a valid and legal binding obligation enforceable against the Borrower or the Guarantor, as applicable, in accordance with its terms, and
4. no Event of Default has occurred and is continuing.

MISCELLANEOUS

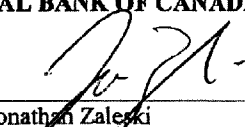
With the exception of the foregoing amendments, the Credit Agreement continues in full force and effect unamended.

This amending agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including by facsimile transmission or as a pdf attachment to an e-mail) shall constitute an original, but all such counterparts when taken together shall constitute one and the same instrument.

Please indicate your acceptance of this amending agreement by signing and returning the enclosed duplicate copy of this letter.

Yours truly,

ROYAL BANK OF CANADA

By: 
Jonathan Zaleski
Director, Senior Commercial Markets
RBC Automotive Finance

We acknowledge and accept the terms and conditions of this Agreement on this 7th day of February, 2023.

Vernon Recreational Products (VRP) Sales and Service Ltd.

4

By: Name: ~~Robert Thibault~~ Robert Thibault

Title: Director

By: _____

Name:

Title:

WE HAVE AUTHORITY TO BIND THE BORROWER

CONSENT(s)

The undersigned hereby acknowledges and consents to the amendment to the Credit Agreement pursuant to this amending agreement and confirms that all Security (as defined in the Credit Agreement) and other documents contemplated by the Credit Agreement to which it is a party, continue in full force and effect, notwithstanding such amendment to the Credit Agreement.

As Guarantor, I acknowledge and confirm my agreement with the terms and conditions of this Agreement on this 7th day of Feb, 2023.

WITNESSED
in the presence of:

Witness

Dona Bourgeault

Name

4242 Paxton Valley Rd

Address

Montelake, BC V0E2N0

Bookkeeper

Occupation

DOUGLAS THIBAUT

As Guarantor, I acknowledge and confirm my agreement with the terms and conditions of this Agreement on this 7th day of Feb, 2023.

WITNESSED
in the presence of:

Witness

Don Munro

Name

16-3807 30 Avenue

Address

Vernon BC

Controller

Occupation

MICHAEL GOODWIN

As Guarantor, I acknowledge and confirm my agreement with the terms and conditions of this Agreement on this
8 day of FEBRUARY, 2023.

WITNESSED
 in the presence of:

Witness

Name

Address

Occupation

Jana Munro
6-3807 32 Avenue
Vernon BC V1T 2N1
Controller

MURRAY B. SULLIVAN

As Guarantor, we acknowledge and confirm our agreement with the terms and conditions of this Agreement on this
8 day of February, 2023.

1390951 B.C. Ltd.

Per:

Name:

Title:

Per:

Name:

Title:

I/We have authority to bind the Guarantor

Douglas Robert Thibault
TREASURER
LEONARD VINCENT DORVILLE
SECRETARY

SCHEDULE F

COMPLIANCE CERTIFICATE

I, _____, representing Vernon Recreational Products (VRP) Sales and Service Ltd. hereby certify as of [insert last day of month]:

1. I am familiar with and have examined the provisions of the Agreement dated February 9, 2021 and any amendments thereto, between Vernon Recreational Products (VRP) Sales and Service Ltd., as Borrower, and Royal Bank of Canada, as the Bank, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and any Guarantor. Terms defined in the Agreement have the same meanings where used in this certificate.
2. The representations and warranties contained in the Agreement are true and correct.
3. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute an Event of Default and there is no reason to believe that during the next month, any such event or circumstance will occur.
4. The ratio of Current Assets to Current Liabilities of the Borrower and 1390951 B.C. Ltd. on a combined basis is ____:1, being not less than the required ratio of (i) 1.1:1 for all months ending on or before June 30, 2023, and (ii) 1.2:1 for all months ending on or after July 31, 2023.
5. The ratio of Total Liabilities to Tangible Net Worth of the Borrower and 1390951 B.C. Ltd. on a combined basis is ____:1, being not more than the permitted ratio of (i) 6.0:1 for all months ending on or before June 30, 2023, and (ii) 4.5:1 for all months ending on or after July 31, 2023.
6. The Debt Service Coverage ratio of the Borrower and 1390951 B.C. Ltd. on a combined basis is ____:1, being not less than the required ratio of 1.5:1.
7. The detailed calculations of the foregoing ratios and covenants is set forth in the addendum annexed hereto and are true and correct in all respects.

Dated this ____ day of _____, 20__.

Vernon Recreational Products (VRP) Sales and Service Ltd.

Per: _____

Name: _____


Title: _____

Per: _____

Name: _____

Title: _____

This is **Exhibit "F"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia



Royal Bank of Canada
RBC Automotive Finance
6th Floor, 1055 West Georgia St.
Vancouver, BC V6E 3S5

May 9, 2023

Private and Confidential

Vernon Recreational Products (VRP) Sales and Service Ltd.

657 Cooper Place
Kamloops, BC V2B 8R8

Re: Fifth Amending Agreement

Credit Facilities established by Royal Bank of Canada in favour of Vernon Recreational Products (VRP) Sales and Service Ltd.

Pursuant to credit agreement issued by Royal Bank of Canada (the "**Bank**") to Vernon Recreational Products (VRP) Sales and Service Ltd. (the "**Borrower**") on February 9, 2021, and accepted by the Borrower on March 9, 2021 (the "**Credit Agreement**"), the Bank established certain credit facilities in favour of the Borrower on the terms and conditions set out therein.

The Borrower and the Bank amended the Credit Agreement by an amending agreements dated April 26, 2021, May 12, 2021, July 25, 2022 and February 1, 2023, issued by the Bank and accepted by the Borrower.

The Borrower and the Bank wish to further amend the Credit Agreement in the manner set forth herein.

INTERPRETATION

All words and expressions defined in the Credit Agreement have the same meaning when used herein. Reference to the Credit Agreement includes amendments thereto from time to time, including the amendments made by this amending agreement. All references herein to sections of or schedules to an agreement other than this amending agreement are to sections of and the schedules to the Credit Agreement, unless otherwise expressly stated. Clause headings are for reference only.

EFFECTIVE DATE

The provisions of the Credit Agreement are amended as set out in the amending agreement as from the date of this letter set out above.

AMENDMENTS

1. The section of the Credit Agreement entitled **CREDIT FACILITIES** is deleted in its entirety and replaced by the following:

CREDIT FACILITIES

The following Credit Facilities are available in favour of the Borrower in the amounts set out below and at the interest rates set out below:

* Registered Trademark of Royal Bank of Canada

Form of Credit Facility	Amount	Interest Rate (per annum)
New RV Facility (Northwood)	* Up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate (Float) + 0.80%
New RV Facility (Northwood)	* US Dollar equivalent of up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate US (Float) + 0.80%
New RV Facility (Forest River / Coachmen / Sandpiper)	* Up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate (Float) + 0.80%
New RV Facility (Forest River / Coachmen / Sandpiper)	* US Dollar equivalent of up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate US (Float) + 0.80%
New RV Facility (Thor)	* Up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate (Float) + 0.80%
New RV Facility (Thor)	* US Dollar equivalent of up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate US (Float) + 0.80%
New RV Facility (SylvanSport)	* Up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate (Float) + 0.80%
New RV Facility (SylvanSport)	* US Dollar equivalent of up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate US (Float) + 0.80%
New RV Facility (Riverside)	* Up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate (Float) + 0.80%
New RV Facility (Riverside)	* US Dollar equivalent of up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate US (Float) + 0.80%
New RV Facility (Bigfoot)	* Up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate (Float) + 0.80%
New RV Facility (Westland)	* Up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate (Float) + 0.80%
New RV Freight Facility (Trail-X)	* Up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate (Float) + 1.80%
New RV Freight Facility (Cole International)	* Up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate (Float) + 1.80%
New RV Freight Facility (Team RV Express)	* Up to \$5,250,000, reducing to \$4,000,000.00 on June 30, 2023	CF Rate (Float) + 1.80%
Used RV Facility	Up to \$500,000.00	CF Rate (Float) + 0.85%
Operating Facility	Up to \$300,000.00	RBP + 0.50%
Term Facility Segment 1 (fully drawn)	\$1,108,331.74	2.25%
Term Facility Segment 2 (fully drawn)	\$1,109,608.17	3.12%
Term Facility Segment 3 (fully drawn)	\$133,333.25	RBP + 0.75%

Form of Credit Facility	Amount	Interest Rate (per annum)
Other – Credit Card	Up to \$65,000.00, available in Canadian currency and US currency	To be set out in a separate Agreement between the Borrower and the Bank

* Notwithstanding the Credit Facility amounts described above, the total amount of Advances outstanding under each of the New RV Facilities (Northwood), New RV Facilities (Forest River / Coachmen / Sandpiper), New RV Facilities (Thor), New RV Facilities (SylvanSport), New RV Facilities (Riverside), New RV Facility (Bigfoot), New RV Facility (Westland), New RV Freight Facility (Trail-X), New RV Freight Facility (Cole International) and New RV Freight Facility (Team RV Express) on a combined basis shall not at any time exceed (i) \$5,250,000.000 before June 30, 2023, and (ii) \$4,000,000.00 at any time on or after June 30, 2023.

TEMPORARY INCREASE

At any time or times upon receipt of a request from the Borrower for a temporary increase in the amount of an Auto Finance Facility, the Bank may, in its discretion and without any obligation to do so, agree to a temporary increase in the amount of such Credit Facility by way of a written notice given to the Borrower specifying the amount of such temporary increase and the date on which such temporary increase shall expire, and upon the giving of such written notice by the Bank this Agreement shall be deemed to be amended so as to increase the amount of such Credit Facility for the period of time commencing on the delivery of such notice and ending on (i) the expiration date specified in such notice, or (ii) where no expiration date is specified in such notice, the date that is sixty (60) days after the date that such notice is given, and upon the expiration of such period of time the amount of such Credit Facility shall automatically return to the amount in effect before such increase was granted; provided that any temporary increase pursuant to this provision shall be subject to all other applicable provisions of this Agreement and be without prejudice to all rights and remedies of the Bank hereunder including, without limitation, the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary Credit Facility. Unless otherwise set out in the written notice delivered to the Borrower, during the period that the temporary increase is in effect, the combined limit of each of the New RV Facilities (Northwood), New RV Facilities (Forest River / Coachmen / Sandpiper), New RV Facilities (Thor), New RV Facilities (SylvanSport), New RV Facilities (Riverside), New RV Facility (Bigfoot), New RV Facility (Westland), New RV Freight Facility (Trail-X), New RV Freight Facility (Cole International) and New RV Freight Facility (Team RV Express) made available to the Borrower, as set out above, shall increase by the amount of the temporary increase.

REPRESENTATIONS AND WARRANTIES

The Borrower and each Guarantors represents and warrants to the Bank that the representations and warranties made by the Borrower and such Guarantors in the Credit Agreement are true and correct on and as of the date hereof, with the same effect as if those representations and warranties had been made on and as of the date hereof.

The Borrower and each Guarantor further represents and warrants to the Bank as follows:

1. it has full power and authority to enter into, give and perform this amending agreement;
2. the entering into and performance by it of this amending agreement has been duly authorized by all necessary action and will not violate or conflict with its constituting documents or any amendments thereto or any provision of any agreement, indenture or arrangement to which it is a party or is bound;
3. this amending agreement is, and each of the Credit Documents continue to be, a valid and legal binding obligation enforceable against the Borrower or the Guarantor, as applicable, in accordance with its terms, and
4. no Event of Default has occurred and is continuing.

MISCELLANEOUS

With the exception of the foregoing amendments, the Credit Agreement continues in full force and effect unamended.

This amending agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (including by facsimile transmission or as a pdf attachment to an e-mail) shall constitute an original, but all such counterparts when taken together shall constitute one and the same instrument.

Please indicate your acceptance of this amending agreement by signing and returning the enclosed duplicate copy of this letter.

Yours truly,

ROYAL BANK OF CANADA

By: 

Jonathan Zaleski
Director, Senior Commercial Markets
RBC Automotive Finance

We acknowledge and accept the terms and conditions of this Agreement on this 17 day of MAY, 2023.

Vernon Recreational Products (VRP) Sales and Service Ltd.

By: 

Name: Murray
Title: President

By: 

Name: DOUGLAS THIBAUT
Title: DIRECTOR

WE HAVE AUTHORITY TO BIND THE BORROWER

CONSENT(S)

The undersigned hereby acknowledges and consents to the amendment to the Credit Agreement pursuant to this amending agreement and confirms that all Security (as defined in the Credit Agreement) and other documents contemplated by the Credit Agreement to which it is a party, continue in full force and effect, notwithstanding such amendment to the Credit Agreement.

As Guarantor, I acknowledge and confirm my agreement with the terms and conditions of this Agreement on this 17 day of May, 2023.

WITNESSED
in the presence of:

[Signature]
Witness
Shae Smith
Name
2260 Oranogen St
Address
Armstrong BC
Grance Manager
Occupation

[Signature]
DOUGLAS THIBAUT

As Guarantor, I acknowledge and confirm my agreement with the terms and conditions of this Agreement on this 17 day of May, 2023.

WITNESSED
in the presence of:

[Signature]
Witness
DENNIS MITCHELL
Name
Box 1569
Address
Fort St James
RETIRED
Occupation

[Signature]
MICHAEL GOODWIN

As Guarantor, I acknowledge and confirm my agreement with the terms and conditions of this Agreement on this
17 day of May, 2023.

WITNESSED

in the presence of:

Louise Proctor

Witness

LOUISE PROCTOR

Name

BOX 1206

Address

HOUSTON BC V0J 1Z0

FINANCE MANAGER

Occupation

MURRAY B. SULLIVAN

As Guarantor, we acknowledge and confirm our agreement with the terms and conditions of this Agreement on this
17 day of MAY, 2023.

1390951 B.C. Ltd.

Per:

Name:

Title:

DECLAN THIBAUD
TREASURER

Per:

Name:

Title:

I/We have authority to bind the Guarantor

SCHEDULE F

COMPLIANCE CERTIFICATE

1. Murray Sullivan, representing Vernon Recreational Products (VRP) Sales and Service Ltd. hereby certify as of [insert last day of month]:

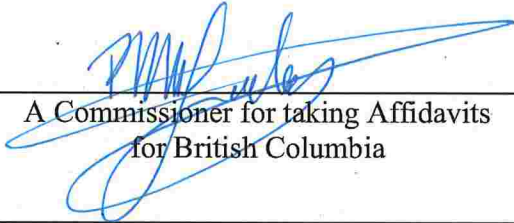
1. I am familiar with and have examined the provisions of the Agreement dated February 9, 2021 and any amendments thereto, between Vernon Recreational Products (VRP) Sales and Service Ltd., as Borrower, and Royal Bank of Canada, as the Bank, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and any Guarantor. Terms defined in the Agreement have the same meanings where used in this certificate.
2. The representations and warranties contained in the Agreement are true and correct.
3. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute an Event of Default and there is no reason to believe that during the next month, any such event or circumstance will occur.
4. The ratio of Current Assets to Current Liabilities of the Borrower and 1390951 B.C. Ltd. on a combined basis is _____:1, being not less than the required ratio of (i) 1.1:1 for all months ending on or before June 30, 2023, and (ii) 1.2:1 for all months ending on or after July 31, 2023.
5. The ratio of Total Liabilities to Tangible Net Worth of the Borrower and 1390951 B.C. Ltd. on a combined basis is _____:1, being not more than the permitted ratio of (i) 6.0:1 for all months ending on or before June 30, 2023, and (ii) 4.5:1 for all months ending on or after July 31, 2023.
6. The Debt Service Coverage ratio of the Borrower and 1390951 B.C. Ltd. on a combined basis is _____:1, being not less than the required ratio of 1.5:1.
7. The detailed calculations of the foregoing ratios and covenants is set forth in the addendum annexed hereto and are true and correct in all respects.

Dated this _____ day of _____, 20____.

Vernon Recreational Products (VRP) Sales and Service Ltd.

Per: [Signature]
 Name: Murray Sullivan
 Title: President
 Per: [Signature]
 Name: DUCAS THIBAUT
 Title: DIRECTOR

This is **Exhibit "G"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

GUARANTEE AND POSTPONEMENT OF CLAIM**TO: ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Vernon Recreational Products (VRP) Sales and Service Ltd. (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); together with interest thereon from the date of demand for payment at a rate equal to 5% percent per annum as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the

whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the Province of British Columbia ("**Jurisdiction**"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

(19) If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Guarantee and Postponement of Claim, (in Quebec, Suretyship and Subordination of Claims) it is necessary to convert into the currency of such jurisdiction (the "**Judgment Currency**") any amount due hereunder in any currency other than the Judgment Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "**rate of exchange**" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgment Currency in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the undersigned will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Guarantee in such other currency together with interest at Prime Interest Rate and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the undersigned under this section will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Guarantee.

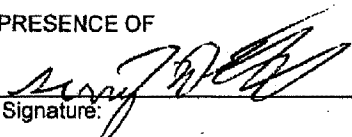
Applicable
in all
P.P.S.A.
Provinces
except
Ontario.)

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be in the City of Toronto, a legal holiday or a day on which banking institutions are closed and, with respect to a Libor Loan, "Business Day" means a day with the foregoing characteristics which is also a day on which dealings in U.S. Dollar deposit by and between leading banks in the London interbank market may be conducted.

EXECUTED this 3/9/2021
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

Witness Signature:



GERALD K. WATSON

Barrister & Solicitor • Notary Public

Name:

#103 206 SEYMOUR STREET

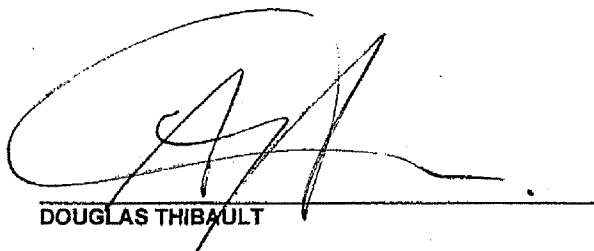
KAMLOOPS BC V2C 2E5

Ph (250) 372-8803 Fax 372-8004

Insert the full name and address of guarantor (Undersigned above).

Full name and address

DOUGLAS THIBAUT DOUGLAS ROBERT THIBAUT
657 COOPER PL.
KAMLOOPS BC V2B 8R8.



DOUGLAS THIBAUT

(To be completed when the guarantee is stated to be governed by the laws of the Province of Alberta, the loan is repayable in Alberta, the guarantee is executed in Alberta, the Customer carries on business in Alberta, or the guarantor is resident or owns assets in Alberta.)

(To be
completed
only where
the guarantor
is not a
corporation)

**THE GUARANTEES ACKNOWLEDGEMENT ACT (ALBERTA)
CERTIFICATE OF BARRISTER AND SOLICITOR**

I HEREBY CERTIFY THAT: •, the guarantor in the guarantee dated • made between ROYAL BANK OF CANADA and •, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;

(20) I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.
CERTIFIED by •, Barrister and Solicitor at the • of •, in the Province of Alberta, this • day of •, 20•.

Signature

(Guarantor
to sign in
presence of
Barrister and
Solicitor)

STATEMENT OF GUARANTOR

I am the person named in the certificate

Signature of Guarantor

(To be completed when the guarantor is an individual and the guarantee is stated to be governed by the laws of Saskatchewan and the Customer is a farmer, farm corporation or farm partnership in Saskatchewan or engages in a farming operation or owns farm assets in Saskatchewan.)

**THE SASKATCHEWAN FARM SECURITY ACT ACKNOWLEDGEMENT OF GUARANTEE
(SECTION 31)
CERTIFICATE OF LAWYER OR NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

- (1) • of • in the Province of •, the guarantor in the guarantee dated • made between ROYAL BANK OF CANADA and •, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;
- (2) I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.
- (3) I have not prepared any documents on behalf of the creditor, Royal Bank of Canada, relating to the transaction and I am not otherwise interested in the transaction;
- (4) I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

Given at • this • under my hand and seal of office

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS
CERTIFICATE)

A LAWYER OR A NOTARY PUBLIC IN AND FOR


Witness

STATEMENT OF GUARANTOR

I am the person named in the certificate

Signature of Guarantor

This is **Exhibit "H"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

GUARANTEE AND POSTPONEMENT OF CLAIM**TO: ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Vernon Recreational Products (VRP) Sales and Service Ltd. (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); together with interest thereon from the date of demand for payment at a rate equal to 5% percent per annum as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the

whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the Province of British Columbia ("**Jurisdiction**"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

(19) If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Guarantee and Postponement of Claim, (in Quebec, Suretyship and Subordination of Claims) it is necessary to convert into the currency of such jurisdiction (the "**Judgment Currency**") any amount due hereunder in any currency other than the Judgment Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "**rate of exchange**" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgment Currency in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the undersigned will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Guarantee in such other currency together with interest at Prime Interest Rate and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the undersigned under this section will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Guarantee.

Applicable
in all
P.P.S.A.
Provinces
except
Ontario.)

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be in the City of Toronto, a legal holiday or a day on which banking institutions are closed and, with respect to a Libor Loan, "Business Day" means a day with the foregoing characteristics which is also a day on which dealings in U.S. Dollar deposit by and between leading banks in the London interbank market may be conducted.

EXECUTED this 03/09/21
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

Witness Signature

MICHAEL GOODWIN

Mike Goodwin **GERALD K. WATSON**
Barrister & Solicitor • Notary Public
Name: #103 206 SEYMOUR STREET
KAMLOOPS BC V2C 2E5
Ph (250) 372-8803 Fax 372-8004

Insert the full name and address of guarantor (Undersigned above).

Full name and address
8022 Colony Point Road Box 107 Fort St James B.C. V0J-1P0 MICHAEL RY GOODWIN

(To be completed when the guarantee is stated to be governed by the laws of the Province of Alberta, the loan is repayable in Alberta, the guarantee is executed in Alberta, the Customer carries on business in Alberta, or the guarantor is resident or owns assets in Alberta.)

(To be
completed
only where
the guarantor
is not a
corporation)

**THE GUARANTEES ACKNOWLEDGEMENT ACT (ALBERTA)
CERTIFICATE OF BARRISTER AND SOLICITOR**

I HEREBY CERTIFY THAT: •, the guarantor in the guarantee dated • made between ROYAL BANK OF CANADA and •, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;

(20) I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.
CERTIFIED by •, Barrister and Solicitor at the • of •, in the Province of Alberta, this • day of •, 20•.

Signature

(Guarantor
to sign in
presence of
Barrister and
Solicitor)

STATEMENT OF GUARANTOR

I am the person named in the certificate

Signature of Guarantor

(To be completed when the guarantor is an individual and the guarantee is stated to be governed by the laws of Saskatchewan and the Customer is a farmer, farm corporation or farm partnership in Saskatchewan or engages in a farming operation or owns farm assets in Saskatchewan.)

**THE SASKATCHEWAN FARM SECURITY ACT ACKNOWLEDGEMENT OF GUARANTEE
(SECTION 31)
CERTIFICATE OF LAWYER OR NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

- (1) • of • in the Province of •, the guarantor in the guarantee dated • made between ROYAL BANK OF CANADA and •, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;
- (2) I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.
- (3) I have not prepared any documents on behalf of the creditor, Royal Bank of Canada, relating to the transaction and I am not otherwise interested in the transaction;
- (4) I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

Given at • this • under my hand and seal of office

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS
CERTIFICATE)

A LAWYER OR A NOTARY PUBLIC IN AND FOR

Witness

STATEMENT OF GUARANTOR

I am the person named in the certificate

Signature of Guarantor

This is **Exhibit "I"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

GUARANTEE AND POSTPONEMENT OF CLAIM**TO: ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "**Bank**") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Vernon Recreational Products (VRP) Sales and Service Ltd. (hereinafter called the "**Customer**") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "**Liabilities**"); together with interest thereon from the date of demand for payment at a rate equal to 5% percent per annum as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the

whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the Province of British Columbia ("**Jurisdiction**"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

(19) If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Guarantee and Postponement of Claim, (in Quebec, Suretyship and Subordination of Claims) it is necessary to convert into the currency of such jurisdiction (the "**Judgment Currency**") any amount due hereunder in any currency other than the Judgment Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "**rate of exchange**" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgment Currency in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the undersigned will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Guarantee in such other currency together with interest at Prime Interest Rate and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the undersigned under this section will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Guarantee.

Applicable
in all
P.P.S.A.
Provinces
except
Ontario.)

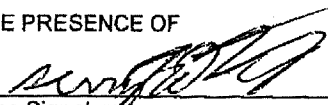
"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be in the City of Toronto, a legal holiday or a day on which banking institutions are closed and, with respect to a Libor Loan, "Business Day" means a day with the foregoing characteristics which is also a day on which dealings in U.S. Dollar deposit by and between leading banks in the London interbank market may be conducted.

EXECUTED this

03/09/21
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

Witness Signature



GERALD K. WATSON
Barrister & Solicitor - Notary Public
#103 206 SEYMOUR STREET


MURRAY B SULLIVAN

Name:

KAMLOOPS BC V2C 2E5
Ph (250) 372-8803 Fax 372-8004

Insert the full name and address of guarantor (Undersigned above).

Full name and address

2020 Lahti Rd Houston BC
Murray Blair Sullivan

(To be completed when the guarantee is stated to be governed by the laws of the Province of Alberta, the loan is repayable in Alberta, the guarantee is executed in Alberta, the Customer carries on business in Alberta, or the guarantor is resident or owns assets in Alberta.)

(To be
completed
only where
the guarantor
is not a
corporation)

**THE GUARANTEES ACKNOWLEDGEMENT ACT (ALBERTA)
CERTIFICATE OF BARRISTER AND SOLICITOR**

I HEREBY CERTIFY THAT: •, the guarantor in the guarantee dated • made between ROYAL BANK OF CANADA and •, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;

(20) I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by •, Barrister and Solicitor at the • of •, in the Province of Alberta, this • day of •, 20•.

Signature

(Guarantor
to sign in
presence of
Barrister and
Solicitor)

STATEMENT OF GUARANTOR

I am the person named in the certificate

Signature of Guarantor

(To be completed when the guarantor is an individual and the guarantee is stated to be governed by the laws of Saskatchewan and the Customer is a farmer, farm corporation or farm partnership in Saskatchewan or engages in a farming operation or owns farm assets in Saskatchewan.)

**THE SASKATCHEWAN FARM SECURITY ACT ACKNOWLEDGEMENT OF GUARANTEE
(SECTION 31)
CERTIFICATE OF LAWYER OR NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

(1) • of • in the Province of •, the guarantor in the guarantee dated • made between ROYAL BANK OF CANADA and •, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;

(2) I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

(3) I have not prepared any documents on behalf of the creditor, Royal Bank of Canada, relating to the transaction and I am not otherwise interested in the transaction;

(4) I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

Given at • this • under my hand and seal of office

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS
CERTIFICATE)

A LAWYER OR A NOTARY PUBLIC IN AND FOR

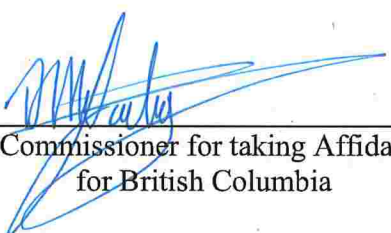
Witness

STATEMENT OF GUARANTOR

I am the person named in the certificate

Signature of Guarantor

This is **Exhibit "J"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

GUARANTEE AND POSTPONEMENT OF CLAIM**TO: ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "**Bank**"), of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Vernon Recreational Products (VRP) Sales and Service Ltd. (hereinafter called the "**Customer**") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "**Liabilities**"); together with interest thereon from the date of demand for payment at a rate equal to the **Bank's Prime Interest Rate in effect from time to time plus five (5%) percent** per annum as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the Customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement,

and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted

on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the **Province of British Columbia** (the "**Jurisdiction**"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(Applicable in all
P.P.S.A.
Provinces
except Ontario).

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

(19) If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Guarantee and Postponement of Claim (in Quebec, Suretyship and Subordination of Claims) it is necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due hereunder in any currency other than the Judgment Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgment Currency in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the undersigned will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Guarantee in such other currency together with interest at Prime Interest Rate and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the undersigned under this section will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Guarantee.

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be in the City of Toronto, a legal holiday or a day on which banking institutions are closed and, with respect to a Libor Loan, "Business Day" means a day with the foregoing characteristics which is also a day on which dealings in U.S. Dollar deposit by and between leading banks in the London interbank market may be conducted.

Executed at Ramloog BC this Feb. 7, 2023
(month) (day) (year)

1390951 B.C. LTD.

Per: 

Name:

Title:

LEONARD VINCENT BOURGET
SECRETARY

(To be completed when the guarantee is stated to be governed by the laws of the Province of Alberta, the loan is repayable in Alberta, the guarantee is executed in Alberta, the Customer carries on business in Alberta, or the guarantor is resident or owns assets in Alberta.)

(To be completed only where the guarantor is not a corporation)

GUARANTEES ACKNOWLEDGMENT ACT (Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

- 1 _____, the guarantor in the guarantee dated the _____ day of _____, 2023 made between Royal Bank of Canada and _____, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.
- 2 I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by _____ (print name), Barrister and Solicitor at the _____ of _____, in the Province of Alberta, this _____ day of _____, 2023.

SIGNATURE

STATEMENT OF GUARANTOR

I am the person named in this certificate.

Signature of Guarantor

LAWYER CERTIFICATION

I, _____ the aforesaid Barrister and Solicitor certify that:
(print name)

- (a) the aforesaid guarantor signed the Statement of Guarantor in my presence; and
- (b) the acknowledgement to which the above Certificate refers was either:
 - (i) made in Alberta, and I am an active member of The Law Society of Alberta, other than an honorary member, who has not been suspended;
 - or
 - (ii) made in a jurisdiction other than Alberta, namely _____, and I am a lawyer entitled to practice law in that jurisdiction.

Dated the _____ day of _____, 2023.

Signature of Barrister and Solicitor

(To be completed when the guarantor is an individual and the guarantee is stated to be governed by the laws of Saskatchewan and the Customer is a farmer, farm corporation or farm partnership in Saskatchewan or engages in a farming operation or owns farm assets in Saskatchewan.)

THE SASKATCHEWAN FARM SECURITY ACT ACKNOWLEDGEMENT OF GUARANTEE

(SECTION 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

(1) _____ of _____ in the Province of _____, the guarantor in the guarantee dated _____ made between ROYAL BANK OF CANADA and _____, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;

(2) I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

(3) I have not prepared any documents on behalf of the creditor, Royal Bank of Canada, relating to the transaction and I am not otherwise interested in the transaction;

(4) I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

Given at _____ this _____ under my hand and seal of office

(SEAL REQUIRED WHERE NOTARY
PUBLIC SIGNS CERTIFICATE)

A LAWYER OR A NOTARY PUBLIC IN AND FOR

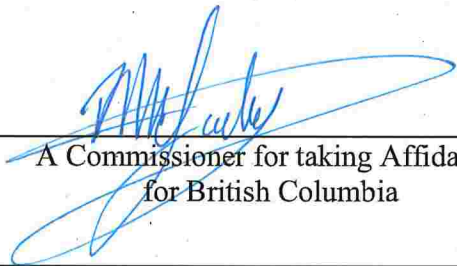
Witness

STATEMENT OF GUARANTOR

I am the person named in the certificate

Signature of Guarantor

This is **Exhibit "K"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

GENERAL SECURITY AGREEMENT**1. SECURITY INTEREST**

(a) For value received, the undersigned ("Debtor"), hereby grants to **ROYAL BANK OF CANADA ("RBC")**, a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all Inventory of whatever kind and wherever situate;
- (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all lists, records and files relating to Debtor's customers, clients and patients;
- (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims;
- (vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;

(b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;

(c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;

(d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations; and

(e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral,
- (iv) any loss or damage to Collateral,
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;

(i) to deliver to RBC from time to time promptly upon request:

- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business,
- (iv) all policies and certificates of insurance relating to Collateral, and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the Indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

(a) Whether or not default has occurred, Debtor authorizes RBC:

- (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

(b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided.

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

(a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;

(b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;

(c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;

(d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;

(e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;

(f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;

(h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

(b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A..

(h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

(a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any Instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:

- (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
- (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces).

16. Debtor represents and warrants that the following information is accurate:

INDIVIDUAL DEBTOR

SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR	CITY	PROVINCE	POSTAL CODE
SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR Vernon Recreational Products (VRP) Sales and Service Ltd.			
ADDRESS OF BUSINESS DEBTOR 657 Cooper Place	CITY Kamloops	PROVINCE British Columbia	POSTAL CODE V2B 8R8

TRADE NAME (IF APPLICABLE)

TRADE NAME OF DEBTOR			
PRINCIPAL ADDRESS (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 04th day of March, 2021

Service Ltd.

Vernon Recreational Products (VRP) Sales and

Per:

Name:

Title:

[Signature]
Morgan Sullivan
President

BRANCH ADDRESS

1055 West Georgia Street
Vancouver, BC V6E 3S5

SCHEDULE "A"**(ENCUMBRANCES AFFECTING COLLATERAL)**

NIL

SCHEDULE "B"**1. Locations of Debtor's Business Operations**

657 Cooper Place, Kamloops, BC

6395 Highway 97, Vernon, BC

6255 Highway 97, Vernon, BC

6256 Pleasant Valley Road, Vernon, BC

2. Locations of Records relating to Collateral (if different from 1. above)**3. Locations of Collateral (if different from 1. above)**

SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

E-FORM 924 (10-2017)

This is **Exhibit "L"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

GENERAL SECURITY AGREEMENT**1. SECURITY INTEREST**

(a) For value received, the undersigned ("Debtor"), hereby grants to **ROYAL BANK OF CANADA** ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all Inventory of whatever kind and wherever situate;
- (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all lists, records and files relating to Debtor's customers, clients and patients;
- (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims;
- (vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;

(b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;

(c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;

(d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations; and

(e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral,
- (iv) any loss or damage to Collateral,
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;

(i) to deliver to RBC from time to time promptly upon request:

- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business,
- (iv) all policies and certificates of insurance relating to Collateral, and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

6. SECURITIES, INVESTMENT PROPERTY

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

8. INCOME FROM AND INTEREST ON COLLATERAL

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

(a) Whether or not default has occurred, Debtor authorizes RBC:

- (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

(b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided.

10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

(a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;

(b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;

(c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;

(d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;

(e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;

(f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;

(h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situated, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

(b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A..

(h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

(a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as RBC may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any Instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:

- (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
- (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces).

16. Debtor represents and warrants that the following information is accurate:

INDIVIDUAL DEBTOR

SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR	CITY	PROVINCE	POSTAL CODE
SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR			
1390951 B.C. LTD.			
ADDRESS OF BUSINESS DEBTOR	CITY	PROVINCE	POSTAL CODE
2449 Trans-Canada Highway	Kamloops	BC	V2C 4A9

TRADE NAME (IF APPLICABLE)

TRADE NAME OF DEBTOR			
PRINCIPAL ADDRESS (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 7th day of February, 2023.

1390951 B.C. LTD.

Per:

Name: Bernard Thibault

Title: Director

BRANCH ADDRESS

1055 West Georgia Street, 6th Floor
Vancouver, BC V6E 3S5

SCHEDULE "A"**(ENCUMBRANCES AFFECTING COLLATERAL)**

NIL.

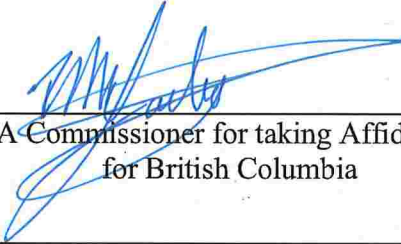
SCHEDULE "B"**1. Locations of Debtor's Business Operations**

2449 Trans-Canada Highway
Kamloops, BC V2C 4A9

2. Locations of Records relating to Collateral (if different from 1. above)**3. Locations of Collateral (if different from 1. above)**

SCHEDULE "C"
(DESCRIPTION OF PROPERTY)

This is **Exhibit "M"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia



Land Title Act
Mortgage
Part 1 Province of British Columbia

KAMLOOPS LAND TITLE OFFICE
MAR 15 2021 12:05:52.001
CA8842618-CA8842619

1. Application

Borden Ladner Gervais LLP
1200 - 200 Burrard Street
Vancouver, BC V7X 1T2
604-687-5744

2. Description of Land

PID/Plan Number	Legal Description
004-768-981	LOT 2 SECTIONS 11 AND 14 TOWNSHIP 8 OSOYOOS DIVISION YALE DISTRICT PLAN 27607 EXCEPT PLAN H16713
005-446-937	LOT 6 SECTION 11 TOWNSHIP 8 OSOYOOS DIVISION YALE DISTRICT PLAN 25512
017-856-515	LOT A SECTION 14 TOWNSHIP 8 OSOYOOS DIVISION YALE DISTRICT PLAN KAP47732

3. Borrower(s) (Mortgagor(s))

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD.
657 COOPER PLACE
KAMLOOPS, BC V2B 8R8

No. BC1286235

4. Lender(s) (Mortgagee(s))

ROYAL BANK OF CANADA
1055 WEST GEORGIA STREET
VANCOUVER, BC V6E 3S5

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
\$4,330,000.00	Prime Rate plus 5% per annum	N/A
Interest Calculation Period	Payment Dates	First Payment Date
Monthly, not in advance	ON DEMAND	N/A
Amount of each periodic payment	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
N/A	N/A % per annum	N/A
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes	POSTAL ADDRESS IN ITEM 4	ON DEMAND
Page and Paragraph: Page 6, Paragraph 12 of SMT900186		

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

Yes



Land Title Act
Mortgage

Part 1 Province of British Columbia

8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

Filed Standard Mortgage Terms D F Number: MT900186

Includes any additional or modified terms.

**10. Additional or Modified Terms**

This mortgage is granted for valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Mortgagor) as general and continuing collateral security for payment and satisfaction of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, of whatsoever nature and kind and howsoever arising, at any time and from time to time owing or payable by the Mortgagor to the Mortgagee, all as may be more fully set forth in the Filed Standard Mortgage Terms (referred to in Item 9 of Form B) which form part of this Mortgage and Defeasance Option #3 under Section 3 of the said Filed Standard Mortgage Terms applies to this Mortgage, and in interpreting this Mortgage, Section entitled "Advances" of the said Filed Standard Mortgage Terms shall be read subject to the following:

NOTICE IS HEREBY GIVEN to every person dealing with the title to the Mortgaged Land that the liabilities secured by this Mortgage include, without limiting the generality of any other provisions hereof, the liabilities of the Mortgagor to the Mortgagee with respect to any bankers' acceptances from time to time issued by the Mortgagor and accepted by the Mortgagee and with respect to any letters of credit or letters of guarantee from time to time issued by the Mortgagee at the request of the Mortgagor and that advances by the Mortgagee not exceeding from time to time the aggregate amount referred to herein are contemplated and secured by this Mortgage and that with respect to any such bankers' acceptances and any such letters of credit or letters of guarantee, the Mortgagee is hereby and thereby required, subject to the defences available to any obligant thereunder, from the date of acceptance of each such bankers' acceptance and from the date of issuance of each such letter of credit or letter of guarantee, to make the advances contemplated therein in accordance with the terms thereof.

The following shall be added immediately following Section 8 of the Filed Standard Mortgage Terms:

"8A. PROHIBITIONS

Without the prior written consent of the Mortgagee, the Mortgagor shall not and shall not have the power to:

- (a) grant, create or permit to be created any mortgage, charge or security interest in, encumbrances or lien over, or claim against the Mortgaged Land or any part thereof which ranks or could in any event rank in priority to or pari passu with the charge of this Mortgage; or
- (b) issue or have outstanding at any time any secured or unsecured bonds, debentures, debenture stock or other evidences of indebtedness of the Mortgagor or of any predecessor in title of the Mortgagor issued under a trust deed or other instrument running in favour of a trustee."

The following shall be added immediately following Section entitled "Additional Acceleration Provisions" of the said Filed Standard Mortgage Terms:

IMMEDIATE PAYMENT AND PREPAYMENT

The Mortgagee may exercise its rights and remedies hereunder immediately upon default, and the Mortgagor hereby confirms that except as may be expressly otherwise provided herein or in any other written agreement between the Mortgagor and the Mortgagee contemplating the granting of this Mortgage, the Mortgagee has not given any covenant, express or implied, and is under no obligation to allow the Mortgagor any period of time to remedy any default prior to the Mortgagee exercising its rights and remedies hereunder.

Any right or option contained in the said Filed Standard Mortgage Terms to prepay or repay prior to the date of final payment hereunder the whole balance or any portion of the principal monies remaining unpaid hereunder may only be exercised in the absence of any agreement to the contrary with respect to all or any portion of the debts, liabilities and obligations from time to time secured hereby.



11. Prior Encumbrances Permitted by Lender

RE: PID: 004-768-981

Undersurface Rights 31229E in favour of The Director of Soldier Settlement

RE: PID: 005-446-937

Legal Notation:

This title may be affected by a Permit under Part 29 of the Municipal Act, see KK101775

Charges, Liens and Interest:

Undersurface Rights 31229E in favour of The Director of Soldier Settlement

RE: PID: 017-856-515

Legal Notations:

Hereto is annexed Easement KF46352 over that part of Lot 1 Plan KAP47190 as shown on Plan KAP47191

This title may be affected by a Permit under Part 29 of the Municipal Act (see DF KF79434)

This title may be affected by a Permit under Part 29 of the Municipal Act see KF113465

Charges, Liens and Interest:

Undersurface Rights 31229E in favour of The Director of Soldier Settlement

Covenant KF46348 in favour of Her Majesty the Queen in Right of the Province of British Columbia

Easement KF46353

Covenant KF72194 in favour of Her Majesty the Queen in Right of the Province of British Columbia

Statutory Right of Way KG46769 in favour of British Columbia Hydro and Power Authority

Statutory Right of Way KG46770

12. Execution(s)

This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Witnessing Officer Signature

Execution Date

Borrower Signature(s)

Gerald K. Watson
Barrister & Solicitor
#103 206 Seymour Street
Kamloops BC V2C 2E5

YYYY-MM-DD

2021-03-09

VERNON RECREATIONAL PRODUCTS
(VRP) SALES AND SERVICE LTD.
By their Authorized Signatory

Murray Sullivan

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Electronic Signature

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Elnaz Seddon
5KYGSN

Digitally signed by
Elnaz Seddon 5KYGSN
Date: 2021-03-10
11:57:27 -08:00



Land Title Act
Mortgage
 Part 1 Province of British Columbia

1. Application

Borden Ladner Gervais LLP
 1200 - 200 Burrard Street
 Vancouver, BC V7X 1T2
 604-687-5744

2. Description of Land

PID/Plan Number	Legal Description
004-768-981	LOT 2 SECTIONS 11 AND 14 TOWNSHIP 8 OSOYOOS DIVISION YALE DISTRICT PLAN 27607 EXCEPT PLAN H16713
005-446-937	LOT 6 SECTION 11 TOWNSHIP 8 OSOYOOS DIVISION YALE DISTRICT PLAN 25512
017-856-515	LOT A SECTION 14 TOWNSHIP 8 OSOYOOS DIVISION YALE DISTRICT PLAN KAP47732

3. Borrower(s) (Mortgagor(s))

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD.
 657 COOPER PLACE
 KAMLOOPS, BC V2B 8R8

No. BC1286235

4. Lender(s) (Mortgagee(s))

ROYAL BANK OF CANADA
 1055 WEST GEORGIA STREET
 VANCOUVER, BC V6E 3S5

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
\$4,330,000.00	Prime Rate plus 5% per annum	N/A
Interest Calculation Period	Payment Dates	First Payment Date
Monthly, not in advance	ON DEMAND	N/A
Amount of each periodic payment	Interest Act (Canada) Statement: The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
N/A	N/A % per annum	N/A
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes	POSTAL ADDRESS IN ITEM 4	ON DEMAND

Page and Paragraph: **Page 6, Paragraph 12**
 of **SMT900186**

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

Yes



Land Title Act

Mortgage

Part 1 Province of British Columbia

8. Interest Mortgaged**Fee Simple**

9. Mortgage Terms

Part 2 of this mortgage consists of:

Filed Standard Mortgage Terms D F Number: MT900186

Includes any additional or modified terms.

**10. Additional or Modified Terms**

This mortgage is granted for valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Mortgagor) as general and continuing collateral security for payment and satisfaction of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, of whatsoever nature and kind and howsoever arising, at any time and from time to time owing or payable by the Mortgagor to the Mortgagee, all as may be more fully set forth in the Filed Standard Mortgage Terms (referred to in Item 9 of Form B) which form part of this Mortgage and Defeasance Option #3 under Section 3 of the said Filed Standard Mortgage Terms applies to this Mortgage, and in interpreting this Mortgage, Section entitled "Advances" of the said Filed Standard Mortgage Terms shall be read subject to the following:

NOTICE IS HEREBY GIVEN to every person dealing with the title to the Mortgaged Land that the liabilities secured by this Mortgage include, without limiting the generality of any other provisions hereof, the liabilities of the Mortgagor to the Mortgagee with respect to any bankers' acceptances from time to time issued by the Mortgagor and accepted by the Mortgagee and with respect to any letters of credit or letters of guarantee from time to time issued by the Mortgagee at the request of the Mortgagor and that advances by the Mortgagee not exceeding from time to time the aggregate amount referred to herein are contemplated and secured by this Mortgage and that with respect to any such bankers' acceptances and any such letters of credit or letters of guarantee, the Mortgagee is hereby and thereby required, subject to the defences available to any obligant thereunder, from the date of acceptance of each such bankers' acceptance and from the date of issuance of each such letter of credit or letter of guarantee, to make the advances contemplated therein in accordance with the terms thereof.

The following shall be added immediately following Section 8 of the Filed Standard Mortgage Terms:

"8A. PROHIBITIONS

Without the prior written consent of the Mortgagee, the Mortgagor shall not and shall not have the power to:

- (a) grant, create or permit to be created any mortgage, charge or security interest in, encumbrances or lien over, or claim against the Mortgaged Land or any part thereof which ranks or could in any event rank in priority to or pari passu with the charge of this Mortgage; or**
- (b) issue or have outstanding at any time any secured or unsecured bonds, debentures, debenture stock or other evidences of indebtedness of the Mortgagor or of any predecessor in title of the Mortgagor issued under a trust deed or other instrument running in favour of a trustee."**

The following shall be added immediately following Section entitled "Additional Acceleration Provisions" of the said Filed Standard Mortgage Terms:

IMMEDIATE PAYMENT AND PREPAYMENT

The Mortgagee may exercise its rights and remedies hereunder immediately upon default, and the Mortgagor hereby confirms that except as may be expressly otherwise provided herein or in any other written agreement between the Mortgagor and the Mortgagee contemplating the granting of this Mortgage, the Mortgagee has not given any covenant, express or implied, and is under no obligation to allow the Mortgagor any period of time to remedy any default prior to the Mortgagee exercising its rights and remedies hereunder.

Any right or option contained in the said Filed Standard Mortgage Terms to prepay or repay prior to the date of final payment hereunder the whole balance or any portion of the principal monies remaining unpaid hereunder may only be exercised in the absence of any agreement to the contrary with respect to all or any portion of the debts, liabilities and obligations from time to time secured hereby.



11. Prior Encumbrances Permitted by Lender

RE: PID: 004-768-981

Undersurface Rights 31229E in favour of The Director of Soldier Settlement

RE: PID: 005-446-937

Legal Notation:

This title may be affected by a Permit under Part 29 of the Municipal Act, see KK101775

Charges, Liens and Interest:

Undersurface Rights 31229E in favour of The Director of Soldier Settlement

RE: PID: 017-856-515

Legal Notations:

Hereto is annexed Easement KF46352 over that part of Lot 1 Plan KAP47190 as shown on Plan KAP47191

This title may be affected by a Permit under Part 29 of the Municipal Act (see DF KF79434)

This title may be affected by a Permit under Part 29 of the Municipal Act see KF113465

Charges, Liens and Interest:

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Covenant KF46348 in favour of Her Majesty the Queen in Right of the Province of British Columbia

Easement KF46353

Covenant KF72194 in favour of Her Majesty the Queen in Right of the Province of British Columbia

Statutory Right of Way KG46769 in favour of British Columbia Hydro and Power Authority

Statutory Right of Way KG46770

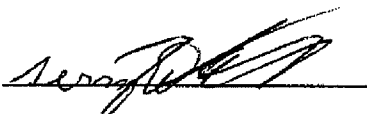
12. Execution(s)

This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Witnessing Officer Signature

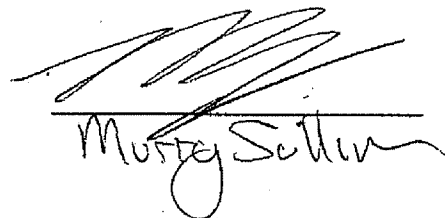
Execution Date

Borrower Signature(s)


GERALD K. WATSON
 Barrister & Solicitor • Notary Public
 #103 206 SEYMOUR STREET
 KAMLOOPS BC V2C 2E5
 Ph (250) 372-8803 Fax 372-8004

YYY-MM-DD
 2021-03-09

**VERNON RECREATIONAL PRODUCTS
 (VRP) SALES AND SERVICE LTD.**
 By their Authorized Signatory


 Murray Selkirk

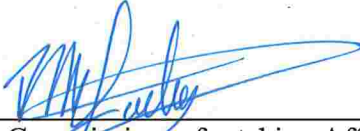
Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Electronic Signature

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, R.S.B.C. 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

This is **Exhibit "N"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024


A Commissioner for taking Affidavits
for British Columbia

DEALER INVENTORY SECURITY AGREEMENT

THIS AGREEMENT made as of the 09 day of March, 2021,

BETWEEN:

ROYAL BANK OF CANADA, a Canadian chartered bank having an office at 1055 West Georgia Street, Vancouver, British Columbia V6E 3S5 (hereinafter called the "**Bank**")

- and -

Vernon Recreational Products (VRP) Sales and Service Ltd., having an office at 657 Cooper Place, Kamloops, British Columbia V2B 8R8 (hereinafter called the "**undersigned**")

For value received, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby covenants and agrees with the Bank as follows:

1. **Security Interest:** As general and continuing collateral security for the due payment of all present and future indebtedness and liability of the undersigned to the Bank including interest thereon and Expenses (as hereinafter defined), whenever and however incurred and any ultimate unpaid balance thereof (collectively, the "**Obligations**"), the undersigned hereby grants, mortgages, charges, transfers and assigns to the Bank a continuing security interest and security interest in and to all present and future property of the nature described in paragraph 2 hereof (the "**Security Interest**").
2. **Description of Property:** The property that is subject to the Security Interest constituted hereby is as follows:
 - (a) **Inventory** - all motor vehicles, equipment, industrial equipment and other goods of every item, type or kind, manufactured by Northwood Manufacturing Inc., Forest River Inc., Bigfoot Industries (2010) Inc., Westland Manufacturing Ltd., Thor Industries, Inc. or Heartland Recreational Vehicles, LLC or any of its affiliates, and including any other supplier for which inventory the Bank provides financing in whole or in part or any of their respective subsidiary or affiliated corporations (collectively, the "**Manufacturers**") and delivered by or on behalf of the Manufacturers at any time and from time to time to the undersigned, and described in (i) any documentation between the Manufacturers and the undersigned including without limitation any Wholesale Conditional Sales Contracts, Chattel Mortgages or Security Agreements (the said Wholesale Conditional Sales Contracts, Chattel Mortgages, Security Agreements or other agreements are hereinafter referred to as the "**Third Party Agreements**"); or (ii) any advance request ("**Advance Request**") delivered from time to time by the undersigned to the Bank, in each case pursuant to any offer to finance entered into between the undersigned and the Bank;
 - (b) **Accounts** - any credit (including, without limitation, any past-model allowance) payable from time to time to the undersigned by a Manufacturer, and all present and future debts, demands and amounts due or accruing due to the undersigned in respect of the Inventory including, without limitation, all book debts, accounts

receivable and claims under policies of insurance, and all contracts, security interests and other rights and benefits in respect thereof;

- (c) **Other Inventory** - all of the undersigned's present and future inventory which is or has been (and continues to be) financed by the Bank, consisting of new and used motor vehicles, trailers, equipment, industrial equipment and goods, and all motor vehicles, trailers, equipment, industrial equipment, goods and accessories which may have been transferred to the undersigned by way of trade-in or barter or in substitution for full or part payment in cash for the entire price of such inventory sold by the undersigned to a third party, and all parts, accessories and supplies which are or are intended to be attached to or included with such motor vehicles, trailers, equipment, industrial equipment or goods at the time of same;
- (d) **Equipment** - all present and future equipment, industrial equipment and goods of the undersigned financed by the Bank;
- (e) **Other Choses in Action** - all choses in action, rights and contracts relating to the inventory or goods referred to in paragraphs (a), (c) and (d) above, other than choses in action, rights and contracts arising from the sale by the undersigned of parts and services in the ordinary course of its business;
- (f) **Proceeds** - all present or after-acquired personal property in any form derived directly or indirectly from any dealing with the Collateral (as hereinafter defined) subject to the Security Interest or any proceeds therefrom, including any payment that indemnifies or compensates for any Collateral that has been lost, destroyed or damaged or the proceeds therefrom.

The property referred to in paragraphs (a) through (f) above is herein collectively referred to as the "Collateral".

- 3. **Attachment:** The undersigned confirms and acknowledges that value has been given, the undersigned has rights in the Collateral and the undersigned and the Bank have not postponed or agreed to postpone the time for attachment of the Security Interest. The Security Interest created hereby is intended to attach when this Agreement is signed by the undersigned and delivered to the Bank.
- 4. **Dealings with Collateral:** Until the occurrence of an Event of Default (as hereinafter defined), the undersigned may sell the Inventory in the ordinary course of its business, but shall not sell, dispose of or otherwise deal with the Inventory or other Collateral for any other purpose or in any manner inconsistent with this Agreement or any other agreement between the undersigned and the Bank except in the ordinary course of its business. All proceeds of sale or other disposition collected or received by the undersigned in respect of the Inventory or other Collateral shall be held by the undersigned as agent and in trust for the Bank and, unless otherwise authorized in writing by the Bank, shall be forthwith paid over to the Bank in repayment of the related Obligations.
- 5. **Representations and Warranties:** The undersigned represents and warrants as follows and acknowledges that the Bank is relying thereon:

- (a) that the Collateral is owned by the undersigned with good and marketable title thereto, and, except for the Security Interest created hereby is, and will be, kept free and clear of any assignments, executions, mortgages, charges, hypothecations, pledges, security interests, liens, demands, adverse claims, encumbrances and any other claims whatsoever;
- (b) each debt, chattel paper and instrument constituting the Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the undersigned to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the undersigned which can be asserted against the Bank, whether in any proceeding to enforce the Collateral or otherwise;
- (c) that the undersigned has the capacity and authority to grant the Security Interest in the Collateral to the Bank;
- (d) that the execution and delivery of this Agreement and the performance by the undersigned of its obligations hereunder has been duly and properly authorized by all necessary action and this Agreement constitutes a valid, legal and binding obligation of the undersigned, and will not result in a breach of any agreement to which the undersigned is a party;
- (e) the chief executive office of the undersigned is located at 657 Cooper Place, Kamloops, British Columbia V2B 8R8;
- (f) that the Collateral is now located and will hereafter be kept at 657 Cooper Place, Kamloops, British Columbia V2B 8R8, and that the same will not be removed therefrom without the prior written consent of the Bank;
- (g) the undersigned has disclosed to the Bank all environmental and other matters which could have a material effect on the financial condition or operations of the undersigned; and
- (h) that the Collateral does not include any goods which are used or acquired by the undersigned for use primarily for personal, family or household purposes.

6. **Covenants:** The undersigned covenants and agrees with the Bank as follows:

- (a) to pay, perform, fulfil and satisfy all of the Obligations when due;
- (b) to pay all taxes, rates, levies, government fees and dues levied, assessed or imposed in respect of the Collateral or any part thereof, as and when the same become due and payable, and to forthwith upon request by the Bank deliver such evidence as may satisfy the Bank that such taxes, rates, levies, fees and dues have been paid;
- (c) to keep the Collateral in good condition and located at the place(s) warranted herein;

- (d) to keep the Inventory insured against loss or damage by fire, theft and such other risks as are customary with respect to similar property for a value not less than the outstanding amount of the advance obtained by the undersigned from the Bank with respect to the Inventory and all such policies shall contain such loss payable and mortgage clauses in favour of the Bank as the Bank may require. At the request of the Bank all such policies shall be delivered to and held by it. Should the undersigned neglect to maintain such insurance, the Bank may insure the Inventory and any premiums or charges paid by the Bank together with interest thereon shall be payable by the undersigned to the Bank upon demand;
- (e) to promptly notify the Bank of any loss of or damage to the Collateral, any change in any information provided in this Agreement or any actual or potential claim affecting the undersigned, the Collateral or the Security Interest;
- (f) not to transfer, convey, sell, lease, assign or otherwise dispose of or deal with the Collateral or any interest therein or enter into any agreement or undertaking to do so except as permitted in this Agreement;
- (g) to preserve its rights, powers, licences, privileges, franchises and goodwill, comply with all applicable laws, rules and regulations, and generally conduct its business in a proper and efficient manner so as to protect the Collateral, the Security Interest and the business and undertaking of the undersigned;
- (h) to maintain its legal existence, to give the Bank 30 days prior written notice of any intended change in the ownership of its partnership units or change in its name, and to refrain from amalgamating with any other entity without the prior written consent of the Bank;
- (i) to deliver to the Bank such information concerning the Collateral or the undersigned as the Bank may reasonably request from time to time, to allow the Bank to have access to all premises of the undersigned at which the Collateral may be located and to allow the Bank to inspect the Collateral and all records of the undersigned pertaining thereto from time to time;
- (j) to execute and deliver such other documents as may be required by the Bank to establish in favour of the Bank the Security Interest and to accomplish the intention of this Agreement;
- (k) to pay all expenses, including solicitor's fees (on a solicitor to his own client basis) and receivers' fees and disbursements, incurred by the Bank or its agents (including any Receiver, as hereinafter defined) in connection with the perfection, preservation and enforcement of this Agreement or any security or other agreements relating thereto, including all expenses incurred by the Bank or such agents in dealing with other creditors of the undersigned in connection with the establishment and confirmation of the priority of the Security Interest created hereby, all of which expenses (herein referred to as the "**Expenses**") shall be payable forthwith upon demand and shall form part of the Obligations;
- (l) to carry on and conduct the business of the undersigned in accordance with all applicable laws, in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted

accounting principles, consistently applied, proper books of account for the undersigned's business as well as accurate and complete records concerning the Collateral, and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest; and

- (m) to deliver to the Bank from time to time promptly upon request:
- (i) any documents of title, instruments, investment property and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the undersigned regarding the undersigned's business;
 - (iv) all policies and certificates of insurance relating to the Collateral; and
 - (v) such information concerning the Collateral, the undersigned and the undersigned's business and affairs as the Bank may reasonably request.

7. **Events of Default:** The undersigned shall be in default hereunder upon the occurrence of any one or more of the following events (collectively, the "Events of Default", and individually, an "Event of Default"):

- (a) if the undersigned fails to pay, perform, fulfil or satisfy any of the Obligations when due if the failure is not remedied on or before the third business day after notice of such failure is given;
- (b) in the event that any representation or warranty made by the undersigned herein is or becomes incorrect or untrue, or the undersigned breaches or fails to comply with any term of this Agreement or any other agreement or undertaking now or hereafter given by the undersigned to the Bank;
- (c) if the undersigned or any guarantor or covenantor of the Obligations or any part thereof commits or threatens to commit an act of bankruptcy or becomes insolvent or subject to any insolvency proceedings under the *Bankruptcy and Insolvency Act*, the *Companies' Creditors Arrangement Act* or the *Winding-Up and Restructuring Act* or has a receiver or receiver and manager appointed for it or over any of its assets or if any creditor takes possession of any of its assets or if any execution, distress or other like process is levied or enforced upon the Collateral or any part thereof or if any compromise or arrangement with creditors is made by any of them;
- (d) the undersigned ceases to carry on business, or makes or agrees to make a bulk sale of its assets;
- (e) any encumbrance affecting the Collateral becomes enforceable;

- (f) an execution or any similar process of any court becomes enforceable against the undersigned, or a distress or any similar process is levied upon any property of the undersigned;
 - (g) any of the undersigned's other lenders or creditors commence to enforce their security against the undersigned or any guarantor or covenantor of the Obligations;
 - (h) the undersigned is in breach of any of its obligations to the Bank under any agreements to which they are party, including without limitation the Loan Agreement dated February 9, 2021 (which loan agreement, as amended, restated, replaced or supplemented from time to time is herein referred to as the "Loan Agreement"); or
 - (i) the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of the Obligations is or is about to be materially impaired or that the Collateral is or is about to be placed in jeopardy.
8. **Remedies Upon Default:** Upon the occurrence of an Event of Default, the Security Interest shall immediately be enforceable by the Bank, and the Bank shall have, in addition to all other rights, powers and remedies available at law and in equity, or contained in any other agreement between the undersigned and the Bank, the following rights, powers and remedies, all of which shall be independent and cumulative:
- (a) to immediately sue for the Obligations;
 - (b) to appoint and reappoint by instrument in writing, or institute proceedings in any court of competent jurisdiction for the appointment or reappointment of, any person or persons (including the Bank) to be a receiver or receiver and manager (collectively called a "Receiver") of all or any part of the Collateral. The Bank may remove or replace the Receiver from time to time, and appoint another person or persons in his stead or make application to a court of competent jurisdiction to do so. Subject to the provisions of the instrument or court order appointing the Receiver, the Receiver so appointed or replaced shall have the power to take possession of the Collateral and to carry on or concur in carrying on the business of the undersigned and to sell or concur in selling the Collateral or any part thereof. The Bank in appointing or refraining from appointing a Receiver shall not incur any liability to the Receiver the undersigned, or otherwise. For greater certainty, where the Bank is referred to in this Agreement, the term shall, where the context permits, include the Receiver so appointed or replaced and the officers, employees, servants or agents of the Bank and the Receiver;
 - (c) to enter any premises where the Collateral may be located;
 - (d) to obtain possession of the Collateral by any method permitted by law;
 - (e) to do any act or thing to preserve the Collateral or its value, or seize, collect, realize upon, lease, dispose of, release to third parties, sell by public or private sale or any other mode of disposition as the Bank may consider advisable or

otherwise deal with the Collateral or any part thereof in such manner, for such consideration, upon such terms and conditions and at all time or times as may, in the absolute discretion of the Bank, seem to it necessary or advisable;

- (f) to borrow money on the security of the Collateral and create security interests in the Collateral, whether or not in priority to the Security Interest created hereunder which, in the absolute discretion of the Bank, may impair the undersigned's right to redeem the Collateral;
 - (g) to carry on or concur in the carrying on of all or any part of the business of the undersigned and to enter upon, occupy and use all or any of the buildings occupied or used by the undersigned, or in which the Collateral or any part thereof is situate for such time as the Bank sees fit, free of charge, to the exclusion of the undersigned; and
 - (h) to pay any indebtedness of the undersigned, post any security or otherwise deal with any other creditors of the undersigned in order to obtain the discharge of any mortgage, charge, hypothecation, pledge, security interest, lien, claim or other encumbrance that may exist against the Collateral or any part thereof.
9. **Application of Payments:** All moneys from time to time received by the Bank or a Receiver shall be paid first, to discharge any expenses, charges, encumbrances and outgoings affecting the Collateral (including the fees and charges of the Receiver as fixed by the Bank) and in keeping in good standing any liens and charges on the Collateral prior to the security constituted by this Agreement, and secondly, in or toward payment of such parts of the Obligations as the Bank in its sole discretion may determine, and thirdly, any residue of such moneys shall be paid in accordance with applicable law. The undersigned shall remain liable to the Bank for any deficiency.
10. **Receiver as Agent:** The Receiver shall be the agent of the undersigned for all purposes except possession of the Collateral only, which possession shall be on behalf of and as agent of the Bank and not the undersigned.
11. **Risk of Loss:** Where all or any part of the Collateral is in the possession of the Bank or the Receiver, the risk of loss or damage, whether caused by the negligence of the Bank, the Receiver or otherwise, shall be the sole responsibility and obligation of the undersigned.
12. **Waiver of Event of Default:** The Bank may waive any Event of Default, provided that no such waiver shall effect the rights of the Bank in connection with any subsequent Event of Default.
13. **Dealings by the Bank:** The Bank may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Collateral, the undersigned, debtors of the undersigned, sureties and others and with the Collateral as the Bank may see fit, without prejudice to the Obligations and the rights of the Bank to hold and realize upon the Security Interest created hereunder.

14. **Continuing Security:** This Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the Bank and is intended to be a continuing Agreement.
15. **Notices:** Whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of the Bank, if delivered to it or sent by prepaid registered mail addressed to it at its address set forth on page one hereof, or as changed pursuant hereto and, in the case of the undersigned, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to the Bank. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.
16. **General:** This Agreement shall be a continuing agreement in every respect and shall be governed by and construed in accordance with the laws of the Province of British Columbia. The headings used in this Agreement are for convenience only and are not to be considered a part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement. All covenants, agreements, representations and warranties made herein shall survive the execution and delivery of this Agreement and shall continue in full force and effect so long as any of the Obligations are outstanding. If any part of this Agreement is contrary to, prohibited by or deemed invalid under any applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect. Upon payment and performance of all of the Obligations, the Bank shall deliver to the undersigned a discharge of this Agreement upon reasonable prior written notice to do so delivered to the Bank. This Agreement shall inure to the benefit of the Bank and its successors and assigns and shall be binding upon the undersigned and its successors and assigns. This Agreement, any applicable Third Party Agreements, the Loan Agreement and the documents delivered pursuant thereto constitute the entire agreement between the Bank and the undersigned and no modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement, executed by the Bank and the undersigned and no waiver of any provision hereof shall be effective unless in writing executed by the Bank.
17. **Acknowledgement and Waiver:** The undersigned acknowledges receipt of an executed copy of this Agreement, and waives all rights it may have to receive from the Bank a copy of any financing statement, financing change statement or verification statement filed at any time or from time to time in respect of this Agreement.

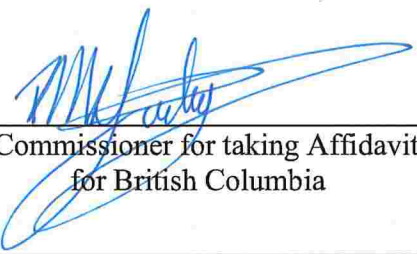
IN WITNESS WHEREOF the undersigned has executed this Agreement under its corporate seal and the hands of its proper officer authorized in that behalf.

Vernon Recreational Products (VRP) Sales and Service Ltd.

Per:
Name:
Title:


Monte Sellen
Resident

This is **Exhibit "O"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

**AUTHORIZATION AND DIRECTION
RE SECTION 427 BANK ACT SECURITY DOCUMENTS**

TO: ROYAL BANK OF CANADA (the "Bank")
1055 West Georgia Street
Vancouver, BC V6E 3X5

FROM: Vernon Recreational Products (VRP) Sales and Service Ltd.
657 Cooper Place
Kamloops, British Columbia V2B 8R8

This is the Bank's good, sufficient and irrevocable authority to date our Section 427 *Bank Act* security documents, on our behalf and as our duly authorized agents, a date that is subsequent to the date of filing of the Notice of Intention to Give Security under Section 427 of the *Bank Act*.

It is understood and agreed that our aforesaid Section 427 *Bank Act* security documents shall not become operative and take effect until they have been dated by the Bank as provided above and they shall be deemed to have been delivered and given to the Bank pursuant to Section 427 of the *Bank Act* as of the date designated by the Bank pursuant to the preceding paragraph.

DATED as of the 09 day of March, 2021.

**Vernon Recreational Products (VRP) Sales and
Service Ltd.**

Per: _____
Name: _____
Title: _____

Murray Sullivan
President

This is **Exhibit "P"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

NOTICE OF INTENTIONE-FORM 710 (10 - 1997)
Retention - M

TO WHOM IT MAY CONCERN:

The Firm or
Company
must be
correctly
designated.
In case of
individuals
give name
in full

Vernon Recreational Products (VRP) Sales and Service Ltd.

(Name of Person, Firm or Company)

657 Cooper Place, Kamloops, British Columbia V2B 8R8


(Mailing Address)

hereby gives notice that it is my/our intention to give security under Section 427 of the Bank Act, to **ROYAL BANK OF CANADA.**Dated at Kamloops, BC this March 8, 2021 2021
(Month) (Day) (Year)**Vernon Recreational Products (VRP) Sales and Service Ltd.**Per:
Name:
Title:
DIRECTORPLEASE INSERT
TRANSIT NUMBER

01739

003

This is **Exhibit "Q"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

**PROMISE TO GIVE SECURITY
UNDER SECTION 427 OF THE BANK ACT AND
WAREHOUSE RECEIPTS AND/OR BILLS OF LADING**

To: **ROYAL BANK OF CANADA**

March 10, 2021
(Date)

In consideration of the Bank's granting and continuing to grant to the undersigned a revolving credit facility and making loans or advances including, where applicable, loans and advances by accepting, paying or making money available for the payment of bills of exchange not payable on demand drawn on the Bank by and payable to the order of the undersigned, the undersigned promise(s) and agree(s) to give the Bank security for any or all loans and advances by the Bank to the undersigned pursuant to this promise to give security by way of assignments under section 427 of the Bank Act and / or warehouse receipts and / or bills of lading.

The undersigned promise(s) and agree(s) to give the Bank as often as requested warehouse receipts and / or bills of lading covering all the property or any part of such property which is now or may in the future be covered by warehouse receipts or bills of lading, as security for all the said loans and advances.

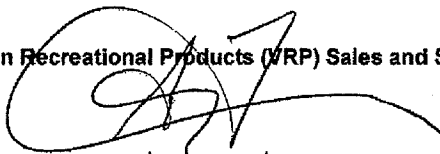
The undersigned appoint(s) the person for the time being acting as manager of the branch or unit of the Bank mentioned above, the attorney of the undersigned, on behalf of the undersigned, to give the Bank any and all security mentioned above and to sign or endorse and deliver any and all instruments and documents in connection with such security.

No such security acquired by the Bank will be merged in any subsequent security or to be taken to be substituted for any security previously acquired.


The undersigned has (have) expressly requested that this document be drawn up in the English language. Le(s) soussigné(s) a (ont) expressément demandé que ce document soit rédigé en langue anglaise.

Vernon Recreational Products (VRP) Sales and Service Ltd.

Per:
Name:
Title:


Doug Thibault
Director

This is **Exhibit "R"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

**AGREEMENT AS TO LOANS AND ADVANCES AND SECURITY
UNDER SECTION 427 OF THE BANK ACT FOR SUCH LOANS AND ADVANCES**

1. In this agreement, "I", "my" and "mine" means the individual who signs this agreement and if more than one individual signs this agreement, then these words mean each of them individually and "we", "our", "ours" and "us" mean all of them collectively.

"You", "your" and "yours" mean Royal Bank of Canada.

2. In consideration of the loan(s) or advance(s) being made and/or to be made in the future by you to me, I/we agree with you as follows.
3. All security now or in the future held by you for the payment of any of my/our debt or liability including security by way of warehouse receipt or bill of lading or under Section 427 of the Bank Act (such security being called the "security"), together with all property covered by or comprised in the security (such property being called the "property"), and all proceeds of the security and of the property, constitute a continuing collateral security for the payment of such debt or liability and also for the payment of:
- (a) interest on such debt or liability which, unless otherwise agreed, is calculated at your rate established from time to time and according to your usual custom, and
 - (b) all costs, charges and expenses responsibly incurred by you or the Receiver appointed by you under section 9 of this agreement, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in preparing or enforcing this agreement, taking and maintaining custody or, preserving, repairing, processing, preparing for disposition and disposing of the property and in enforcing the security, which costs, charges and expenses may be recovered by debiting any of my/our accounts with you, without prior notice.
4. I/We agree to keep the property insured to its full insurable value against loss or damage by fire, and, at your request, against loss or damage from any other cause, with insurers approved by you.

I/We will assign to you the policies evidencing such insurance or all claims under such insurance and have the loss made payable to you as you may require and I/we will deliver the policies to you. Should I/we fail to do so, you may, but will not be bound to, effect such insurance on the property as you see fit and I/we will on demand repay to you the amount of any premiums paid by you with interest on such amount at the rate and calculated in the manner mentioned above.

5. If you surrender to me/us the security or the property or any part or either of them, I/we will receive the same in trust (in Quebec, as mandatory) for you, and will deal with such security or property or any part of either of them as you may direct. At your request, I/we will give you security on the property so surrendered, or covered by the security so surrendered, to your satisfaction.
6. I/We assign to you and agree to pay to you or transfer to you immediately the proceeds of all sales by me/us of the property or any part of such property, including cash, debts arising from such sales or otherwise, evidences of title, instruments, documents and securities, which I/we may receive or be entitled to receive in respect thereof, until so paid or transferred, such proceeds will be held by me/us in trust (in Quebec, as mandatory) for you.

Execution by me/us and acceptance by you of an assignment of (in Quebec, of a hypothec on) book debts or any additional assignment (in Quebec, hypothec) of any of such proceeds is deemed to be in addition to this agreement and will not constitute your acknowledgement of any right or title to my/our part to such book debts or proceeds.

7. I/We will pay and discharge all claims in any way secured by or constituting a charge upon any part of the property and particularly, but without limiting the generality of the foregoing, all wages, salaries and other remuneration of all employees employed by me/us in connection with my/our business, farm or aquaculture operation in respect of which any property covered by the security is held or acquired by me/us.

At your request, I/we agree to provide proof of such payment and discharge and obtain and deliver such waivers or releases as you may deem necessary to secure the priority of your rights in the property.

8. I/We will on your demand and to your satisfaction deliver to you additional security. Should I/we fail to do so or to make due payment to you of any debt or liability or to observe any provision of this agreement, you may in your discretion cease or refrain from making loans or advances to me/us whether under any credit extended by you or otherwise, and all of my/our debts and liabilities to you will at your option be payable immediately and without any demand, and you are authorized:

- (a) to sell at public or private sale or otherwise realize upon the security or any part of such security and all or any of the property whenever and wherever and for such price in money or other consideration and in such manner and upon such terms and conditions as you deem best, the whole without advertisement or notice to me/us or others; and
- (b) to deal with the proceeds as provided in this agreement or as otherwise agreed,

without prejudice to your claims for any deficiency and free from any right of redemption I/we may have, which right is waived and released. I/we expressly waive all formalities prescribed by custom or by law in relation to any such sale or other realization.

9. You may without any demand but upon such notice as may be required, if any:
- (a) enter, occupy, use, enjoy and exercise free of charge and to the exclusion of all others, including me/us, any and all premises and property (real and personal, immoveable and moveable) and rights, powers and privileges used, enjoyed or exercised by me/us in connection with the property or any part of such property or in or upon which the same may be (not being the premises of a warehouseman or carrier) until the property will be fully realized upon; and
 - (b) appoint or reappoint by instrument in writing, any person or persons, whether an officer or an employee or employees of yours or not, to be a receiver or receivers (the "Receiver"), which term when used includes a receiver and manager) of the property (including any interest, income and profits from such property). You may remove such Receiver so appointed and appoint another. I/We have no power to revoke the appointment of the Receiver.

The Receiver will, so far as the responsibility of the Receiver for his/her is concerned, be deemed to be my/our agent and not your agent. You will not be in any way responsible for any misconduct, negligence or non-feasance on the part of the Receiver, or the Receiver's servants, agents or employees. Subject to the provisions of the instrument appointing the Receiver, the Receiver will have the powers, rights and discretion granted to you by this agreement including the power to take possession of the property, to preserve the property or its value, to carry on or concur in carrying on all or any part of my/our business and to sell, lease or otherwise dispose or concur in selling, leasing or otherwise disposing of the property.

10. Any promissory note or bill of exchange received by you together with any securities or documents attached to or received with such promissory note or bills of exchange will be subject to the terms of this agreement. You and holders of any such bill or note may at any time before or after its maturity and whether or not it has been dishonoured, accept payment and deliver the securities or documents or accept partial payment and release part of the securities or of the property covered by the documents or any of them.

11. You may apply

- (a) all payments which you receive,
- (b) the proceeds of sales by me/us of the property or any part of such property, and
- (c) the proceeds of realization of any of the security or of the property which are applicable generally to my/our debts and liabilities to you,

against or, as you deem best, hold the same with all the powers, rights and discretion conferred on you by this agreement or otherwise, as continuing collateral security for the fulfillment of any or all obligations, present or future, direct or indirect, absolute or contingent, matured or not, of me/us to you whether arising from agreements or dealings between you and me/us or from any agreement or dealings which any third person which you may be or become in any manner whatsoever a creditor of mine/us or however otherwise arising and whether I/we be bound alone or with another or others and whether as principal or surety, and any such application by you may, in whole or in part, be changed by you as you deem best.

The proceeds of realization of any part of the security or of the property which are applicable only to part of my/our debts and liabilities to you will first be applied to such part of the debts and liabilities, and any surplus remaining after payment of such part may be held or applied by you for the purposes set out in and in accordance with the preceding paragraph of this Clause 11.

12. You may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with me/us, my/our creditors, sureties and others and with the property and other security as you may see fit without prejudice to my/our liability or your right to hold and realize the security.
13. I/We agree to execute, draw, endorse and deliver all such instruments and documents and do all such acts and things as you may deem necessary or desirable for the purpose of perfecting your title to the security or the property or the proceeds of either of them or of carrying into effect any or all of the provisions of this agreement or of securing the fulfillment of all my/our obligations to you.

I/We appoint you and your officers, and persons acting as managers of your branches or units where I/we keep an account and any person or persons named by you for these purposes, and any one of them acting alone, my/our attorney(s) with full power of substitution to do anything the said attorney(s) may deem expedient for the purpose of carrying into effect any or all of the provisions of this agreement. This appointment is made in consideration of a loan or loans, advance or advances, by you to me/us and is irrevocable and of full force and effect whenever and so often as any loan or advance by you to me/us in unpaid or any obligation to you is unfulfilled and notwithstanding any occurrence or event which would otherwise terminate such agency.

Every power, right and discretion vested by law in you or conferred upon you by this agreement may be exercised on your behalf by the said officers or acting officers of yours or any person or persons named by you for such purpose, and any one of them acting alone.

14. No delay or omission in exercising any of your rights or remedy under this agreement or with respect to any of my/our debt will operate as a waiver of such right or remedy, and no single or partial exercise of any right or remedy will preclude the exercise of any other right or remedy.

You may remedy any default by me/us in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by me/us.

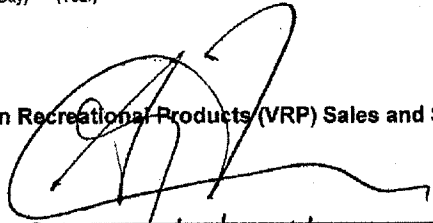
All rights granted or recognized in your favour are cumulative and may be exercised at any time, independently or in combination.

15. When required by this agreement, a notice or demand addressed to me/us will be given in writing and will be sufficiently given if delivered to me/us or sent by prepaid registered mail address to me/us at the last address known to your branch or unit from which notice or demand is dispatched.
16. I/We waive the benefit of all rules of law or equity and compliance with any statutory provisions now or in the future in force inconsistent with any of the provisions of this agreement.
17. The provisions of this agreement are in addition to all other remedies existing in law and to all rights under existing agreements. No sale or delivery by me/us of any part of the property prejudices or affects your rights however arising in or with respect to property so sold or delivered. This is a continuing agreement and all its provisions extend to all my/our loans and advances with you and all my/our obligations to you at any time outstanding and to the security and the property as they may exist and all proceeds thereof. Every loan and advance now or made in the future is deemed to have been made upon the agreements contained in this agreement.
18. Nothing contained in this agreement obligates you to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute a debt or liability of mine/ours.
19. This agreement is binding upon and enures to my/our and your benefit, and my/our and your respective heirs, executors, liquidators of successions, administrators, successors or assigns, as the case may be.
20. If more than one person execute this agreement, the obligations of such persons are joint and several.
21. In the event that any provisions of this agreement, as amended from time to time, are deemed to be invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this agreement remain in full force and effect.
22. The Undersigned has (have) expressly requested that this document be drawn up in the English language. Le(s) soussigné(s) a (ont) expressément demandé que ce document soit rédigé en langue anglaise.


Signed at Kamloops, BC this March 10, 2021
(Month) (Day) (Year)

Vernon Recreational Products (VRP) Sales and Service Ltd.

Per:
Name:
Title:


Doug Thibault
Director.

This is **Exhibit "S"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

ASSIGNMENT UNDER SECTION 427 OF THE BANK ACT
Special security in respect of Specified Property
or Classes of Property

FOR GOOD AND VALUABLE CONSIDERATION, the undersigned assigns to ROYAL BANK OF CANADA (the "Bank") as continuing security for the payment of all loans and advances that have been or may be made by the Bank to the undersigned or renewals of such loans and advances or substitutions for such loans and advances, and interest on such loans and advances and on any such renewals or substitutions, all property and classes of property described below of which the undersigned is now or may in the future become the owner:

all motor vehicles and equipment (including all parts, accessories, attachments, special tools and additions thereto) in which the undersigned deals, and in respect of which an advance or other financial accommodation has been made to the undersigned by the Bank,

and which is now or may in the future be in the place or places described below:

657 Cooper Place, Kamloops, BC
 6395 Highway 97, Vernon, BC
 6255 Highway 97, Vernon, BC
 6256 Pleasant Valley Road, Vernon, BC

and any other place or places in Canada in which any of the assigned property may be located, or where the assigned property consists in whole or in part of fishing vessels, fishing equipment and supplies or products of the sea, lakes and rivers, wherever such property may be.

The undersigned irrevocably appoint(s) the Bank to make on its behalf certain payments which may be owing to the undersigned's creditor(s) as required from time to time out of such loans or advances.

This security is given under the provisions of section 427 of the Bank Act.

The property now owned by the undersigned and hereby assigned is free from any mortgage, lien or charge, other than previous assignments, if any, to the Bank and the undersigned warrants that the property which may be acquired in the future by the undersigned and is assigned hereby will be free from any mortgage, lien or charge, other than previous assignments, if any, to the Bank.

The undersigned acknowledges that this assignment is in addition to and not in substitution for any other assignment between the undersigned and the Bank.

The undersigned has (have) expressly requested that this document be drawn up in the English language. Le(s) soussigné(s) a (ont) expressément demandé que ce document soit rédigé en langue anglaise.

Dated at: Kamloops, BC this March 10, 2021
(City/Town/Province) (Month/Day/Year)

NOTE: The description of vessels should include the number, name and port of registry of registered or recorded vessels being built or equipped or about to be built.

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND
 SERVICE LTD.

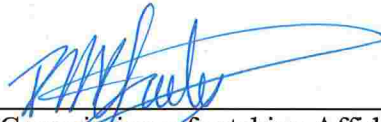
Per:

Name:

Title:

Doug McIlwain
Director

This is **Exhibit "T"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

**POSTPONEMENT AND ASSIGNMENT OF CLAIM
ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, all debts and liabilities, present and future (the "Liabilities"), of Vernon Recreational Products (VRP) Sales and Service Ltd. (hereinafter called the "Borrower") to the Undersigned, or any of them, are hereby deferred and postponed by the Undersigned, and each of them, to the debts, liabilities and advances, present and future (the "Obligations"), of the Borrower to the Royal Bank of Canada (the "Bank") and it is agreed by the Undersigned, and each of them, that until all Obligations of the Borrower to the Bank have been paid, no payment shall be made or received on account of any Liabilities of the Borrower to the Undersigned, or any of them, and that any payments which may be received by the Undersigned, or any of them, from the Borrower (or from any third party on account of or otherwise for the benefit of the Borrower) notwithstanding the foregoing shall be received in trust for the Bank and shall be paid over to the Bank forthwith upon receipt but no such payment shall have the effect of reducing the Obligations of the Borrower to the Bank until the same is actually received by the Bank; and none of the Liabilities of the Borrower to the Undersigned, or any of them, shall be released, transferred or charged in any manner whatsoever or allowed or permitted to become unenforceable through lapse of time, and the Bank may, but shall not be bound to, claim and prove in respect of any or all Liabilities of the Borrower to the Undersigned, or any of them, in any bankruptcy, insolvency, composition, scheme of arrangement, liquidation or winding-up, voluntary or involuntary, affecting the Borrower or any distribution of assets of the Borrower among creditors of the Borrower, and all of the Liabilities of the Borrower to the Undersigned, or any of them, are hereby assigned and transferred to the Bank and all dividends or other sums which may be or become payable in respect thereof shall be due and be paid to the Bank until the Bank shall have received, together with dividends on the Obligations of the Borrower to the Bank, the full amount of the said Obligations; and the Undersigned, and each of them, will from time to time execute all such statements, proofs of claims, transfers, assignments and documents and do all such other acts and things as the Bank may request from time to time to implement any and all of the foregoing.

IT IS AGREED by the Parties hereto that the Borrower will pay all costs, charges and expenses reasonably incurred by the Bank whether directly or for services rendered (including reasonable solicitors' and auditors' costs, registration costs and other legal expenses), in operating the Borrower's accounts, in preparing or enforcing this Agreement, and all such costs, charges and expenses.

IT IS AGREED by the Parties hereto that the Obligations of the Borrower to the Bank, whenever referred to herein, shall include any and all funds advanced or held at the disposal of the Borrower under any line(s) of credit.

THIS AGREEMENT shall extend to and enure to the benefit of the Bank and its successors and assigns and shall be binding upon the Undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the Undersigned, and each of them.

The Undersigned hereby acknowledges receipt of a copy of this agreement.

The Undersigned has(have) expressly requested that this document be drawn up in the English language. Le(s) sous-signé(s) a(ont) expressément demandé que ce document soit rédigé en langue anglaise.

The Undersigned hereby waives Undersigned's right to receive a copy of any financing statement or financing change statement registered by the Bank, or of any verification statement with respect to any financing statement registered by the Bank.

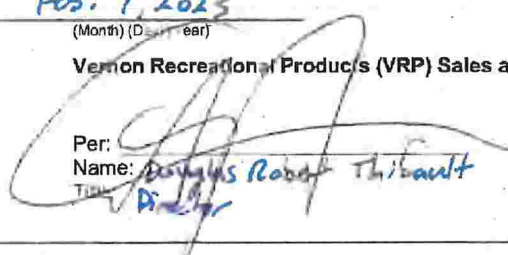
Executed at Kamloops, BC this Feb 7, 2023
(Month) (Day) (Year)
1390957 B.C. LTP.

Per: 
Name: Douglas Robert Thibault
Title: Director

The "Borrower" named above hereby acknowledges receipt of a copy of the foregoing Agreement, accepts the assignment and transfer contained therein and further agrees with the Bank to give effect to all of the provisions of the foregoing Agreement.

Executed at Kamloops, BC this Feb. 7, 2023
(Month) (Day) (Year)

Vernon Recreational Products (VRP) Sales and Service Ltd.

Per: 
Name: Douglas Robert Thibault
Title: Director

BRANCH ADDRESS

1055 West Georgia Street, 6th Floor
Vancouver, BC V6E 3S5

**POSTPONEMENT AND ASSIGNMENT OF CLAIM
ROYAL BANK OF CANADA**E-FORM 918 (08/2012)
RETENTION - M

Insert the full name and address of Debtor (Undersigned above)

Full name and address
1390951 B.C. LTD. 2449 Trans-Canada Highway Kamloops, BC V2C 4A9

This is **Exhibit "U"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024

A handwritten signature in blue ink, appearing to read 'M. J. Gentry', is written over a horizontal line.

A Commissioner for taking Affidavits
for British Columbia

Ryan Laity
T: 604-632-3544
rlaity@blg.com

Jennifer Pepper
T: 604-640-4106
jpepper@blg.com

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard St, P.O. Box 48600
Vancouver BC V7X 1T2
Canada
T 604-687-5744
F 604-687-1415
blg.com

BLG
Borden Ladner Gervais

File No. 243008/000156

January 31, 2024

DELIVERED BY REGISTERED MAIL

**Vernon Recreational Products (VRP)
Sales and Services Ltd., an insolvent person**
#103 – 206 Seymour Street
Kamloops, B.C., V2C 2E5

**Vernon Recreational Products (VRP)
Sales and Services Ltd., an insolvent person**
657 Cooper Place
Kamloops, B.C., V2B 8R8

Dear Sirs/Mesdames:

**Re: Loans by Royal Bank of Canada (the “Lender”) to Vernon Recreational Product
(VRP) Sales and Services Ltd. (the “Borrower”)**

We are counsel for the Lender with respect to various loans (collectively, the “**Loans**”) advanced by the Lender to the Borrower pursuant to a credit agreement dated February 9, 2021, as amended by a first amendment to credit agreement dated April 26, 2021, a second amendment to credit agreement dated May 12, 2021, a third amendment to credit agreement dated July 25, 2022, a fourth amendment to credit agreement dated February 1, 2023, and a fifth amendment to credit agreement dated May 9, 2023 (collectively, as may be further amended, revised, restated, replaced or modified from time to time, the “**Credit Agreement**”)

In connection with the Credit Agreement and the Loans, the Borrower executed ancillary and security documents in favour of the Lender, including, *inter alia*:

1. a collateral mortgage, containing an assignment of rents, in the principal amount of \$4,330,000, dated March 9, 2021, granted by the Borrower in favour of the Lender, charging the real property located at:
 - 6255 Highway 97, Vernon B.C., and legally described as PID: 004-768-981, Lot 2 Sections 11 and 14 Township 8 Osoyoos Division Yale District Plan 27607 Except Plan H16713;
 - 6256 Pleasant Valley Road Vernon, B.C., and legally described as PID: 005-446-937, Lot 6 Section 11 Township 8 Osoyoos Division Yale District Plan 25512; and
 - 6395 Highway 97, Vernon B.C., and legally described as PID: 017-856-515, Lot A Section 14 Township 8 Osoyoos Division Yale District Plan KAP47732;
2. a general security agreement (Form 924) dated March 9, 2021, in which the Borrower granted a security interest in favour of the Lender in all of the Borrower’s present and after acquired personal property;

3. Dealer Inventory Security Agreement dated March 9, 2022, granted by the Borrower in favour of the Lender;
4. Authorization and Direction re: Section 427 Bank Act Security dated March 9, 2021, granted by the Borrower in favour of the Lender;
5. Notice of Intention (E-Form 710) dated March 8, 2021 granted by the Borrower in favour of the Lender;
6. Promise to Give Security Under Section 427 of *the Bank Act* and Warehouse Receipts and/or Bills of Lading (E-Form 680) dated March 10, 2021, granted by the Borrower in favour of the Lender;
7. Agreement as to Loans and Advances and Security under Section 427 of *the Bank Act* for such Loans and Advances (E-Form 677) dated March 10, 2021, granted by the Borrower in favour of the Lender;
8. Assignment Under Section 427 of *the Bank Act* (E-Form 687) dated March 10, 2021, granted by the Borrower in favour of the Lender; and
9. Landlord Waiver and Access Agreement dated March 9, 2021 between the Lender and the Borrower, as landlord, acknowledged by the Borrower,

(collectively, the “**Security**”).

Amounts outstanding under the Loans are repayable immediately on demand. We are also advised by the Lender that certain Events of Default exist and continue under the Credit Agreement including without limitation, breaches of the following financial covenants:

- as of December 31, 2022, its Current Ratio was 1.04:1 (less than the 1.2:1 minimum as required under the Credit Agreement);
- as of April 30, 2023, its Total Liabilities to Tangible Net Worth Ratio, on a combined basis with 1390951 B.C. Ltd. (“**1390951**”), was 8.65:1 (exceeding the maximum permitted 6.1:1 under the Credit Agreement); and
- as of July 31, 2023, its Current Ratio, on a combined basis with 1390951, was 1.18:1 (less than the 1.2:1 minimum required under the Credit Agreement,

(collectively, the “**Financial Covenant Breaches**”)

Commencing in October 2023, to assist the Borrower remedy the Financial Covenant Breaches and emerge from its apparent financial distress, the Lender, at the request of the Borrower, agreed to:

- make available to the Borrower additional credit on an *ad hoc* basis by way of temporary authorized credit limit increases on the operating facility (the “**Temporary Support Credit**”). Such Temporary Support Credit was advanced on the condition that all such advances would be repaid to the Lender in full by no later than January 14, 2024, which the Lender later agreed to extend to January 31, 2024 (such deadline referred to herein as the “**Support Credit Repayment Date**”); and
- waive, on a temporary basis, the mandatory curtailment payments of outstanding principal on certain facilities as required under the Credit Agreement (collectively, the “**Outstanding**

Curtailment Payments”) for the months of October 2023, November 2023, and December 2023, in the total amount of approximately \$520,000 (with interest accruing thereon), on the understanding that such Outstanding Curtailment Payments would be paid as soon as possible.

The Borrower has failed to repay the advances made pursuant to the Temporary Support Credit on or before the Support Credit Repayment Date, and has so far failed to pay the Outstanding Curtailment Payments. As such, notwithstanding that the Loans are repayable immediately upon demand, the Borrower is in default of the terms and conditions set out in the Loan Documents (collectively, the “**Defaults**”).

Accordingly, on behalf of the Lender, we hereby **DEMAND** payment forthwith of all amounts due and outstanding with respect to the Loans. As of January 26, 2024, the total amount outstanding under the Loans is **\$6,732,652.60** (the “**Outstanding Amount**”).

The Outstanding Amount is inclusive of interest to January 26, 2024, but does not include interest that will continue to accrue from January 26, 2024, legal fees and expenses and all other costs recoverable pursuant to the Credit Agreement and the Security.

Payment of the Outstanding Amount, including interest to the date of payment, should be made by bank draft or certified cheque within ten (10) days of the date of this letter payable to Royal Bank of Canada, 2nd Floor, 626 – 6th Avenue, New Westminster, British Columbia, V3M 6Z2, Attention: Mark Kemp-Gee. Prior to making payment, however, please contact Mr. Mark Kemp-Gee at 604-665-9804 or via e-mail (mark.kemp-gee@rbc.com) for confirmation of the Outstanding Amount on the date payment is made.

In connection with demand for the Outstanding Amount, we hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**Section 244 Notice**”).

Despite the Defaults and demand for repayment of the Outstanding Amount, at this time the Lender is prepared to forbear from enforcing on the Credit Agreement and Security on a temporary basis, provided that the Borrower, among others, agrees to execute the following documents, copies of which are enclosed hereto:


1. the Forbearance Agreement; and
2. the Consent and Waiver attached to Section 244 Notice.

Notwithstanding anything contained herein, the Lender reserves all rights and remedies under the Credit Agreement, the Security and any applicable law.

If you have any questions or wish to discuss this matter further, please contact the writer as soon as possible.

Yours truly,

BORDEN LADNER GERVAIS LLP

By: 
Ryan M. Laity

Enclosures

cc: Mr. Mark Kemp-Gee, Royal Bank of Canada (by email: mark.kemp-gee@rbc.com)

FORM 86
PURSUANT TO THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3.
(Subsection 244(1))

NOTICE OF INTENTION TO ENFORCE SECURITY

**TO: Vernon Recreational Products (VRP)
Sales and Services Ltd.,
an insolvent person
#103 – 206 Seymour Street
Kamloops, B.C., V2C 2E5**

**Vernon Recreational Products (VRP)
Sales and Services Ltd.,
an insolvent person
657 Cooper Place
Kamloops, B.C., V2B 8R8**

TAKE NOTICE THAT:

1. Royal Bank of Canada (the “**Lender**”), a secured creditor, intends to enforce its security on the property of the insolvent person described below:
 - all present and after-acquired personal property (other than consumer goods) of Vernon Recreational Products (VRP) Sales and Services Ltd. (“**VRP**”), and all proceeds thereof and therefrom;
 - the real property owned by VRP, located in Vernon B.C., which is the subject of a Mortgage and an Assignment of Rents in favour of the Lender, charging the lands municipally described as:
 - 6255 Highway 97, Vernon B.C., and legally described as PID: 004-768-981, Lot 2 Sections 11 and 14 Township 8 Osoyoos Division Yale District Plan 27607 Except Plan H16713;
 - 6256 Pleasant Valley Road Vernon, B.C., and legally described as PID: 005-446-937, Lot 6 Section 11 Township 8 Osoyoos Division Yale District Plan 25512; and
 - 6395 Highway 97, Vernon B.C., and legally described as PID: 017-856-515, Lot A Section 14 Township 8 Osoyoos Division Yale District Plan KAP47732.
2. The security that is to be enforced includes the following:
 - a General Security Agreement (Form 924) dated March 9, 2021, granted by VRP, as debtor, in favour of the Lender;
 - a Mortgage, containing an Assignment of Rents, dated March 9, 2021, granted by VRP in favour of the Lender, which was registered in the Kamloops Land Title Office on March 15, 2021 under Registration Nos. CA8842618 (as a mortgage) and CA8842619 (as an assignment of rents);
 - Dealer Inventory Security Agreement dated March 9, 2021, granted by the Borrower in favour of the Lender;
 - Authorization and Direction re: Section 427 Bank Act Security dated March 9, 2021, granted by the Borrower in favour of the Lender;
 - Notice of Intention (E-Form 710) dated March 8, 2021 granted by the Borrower in favour of the Lender;

- Promise to Give Security Under Section 427 of the *Bank Act* and Warehouse Receipts and/or Bills of Lading (E-Form 680) dated March 10, 2021, granted by the Borrower in favour of the Lender;
 - Agreement as to Loans and Advances and Security under Section 427 of the *Bank Act* for such Loans and Advances (E-Form 677) dated March 10, 2021, granted by the Borrower in favour of the Lender;
 - Assignment Under Section 427 of the *Bank Act* (E-Form 687) dated March 10, 2021, granted by the Borrower in favour of the Lender; and
 - Landlord Waiver and Access Agreement dated March 9, 2021 between the Lender and the Borrower, as landlord, acknowledged by the Borrower,
- (collectively, the “Security”).

3. The total amount of the indebtedness secured by the Security, as at January 26, 2024, is **\$6,732,652.60**, plus accruing interest.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at Vancouver, British Columbia, on January 31, 2024.

ROYAL BANK OF CANADA,
by its solicitor:



Ryan M. Laity

CONSENT AND WAIVER

THE UNDERSIGNED hereby pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act* waives the ten-day period of notice required under Section 244 of the *Bankruptcy and Insolvency Act* (see extract below) and consents to the immediate enforcement by Royal Bank of Canada of the Security referred to in the Section 244 Notice dated January 31, 2024.

DATED at _____, British Columbia, on _____ 2024, at ____ a.m./p.m.

**VERNON RECREATIONAL PRODUCTS
(VRP) SALES AND SERVICES LTD.**

Per: _____


Extract from the Bankruptcy and Insolvency Act

Section 244. Advance Notice

- (1) A secured creditor who intends to enforce a security on all or substantially all of
 - (a) the inventory,
 - (b) the accounts receivable, or
 - (c) the other property

of an insolvent person that was acquired for, or is used in relation to a business carried on by the insolvent person shall send to that insolvent person, in the prescribed form and manner, a notice of that intention.
- (2) **Period of Notice.** - Where a notice is required to be sent under subsection (1), the secured creditor shall not enforce the security in respect of which the notice is required until the expiry of ten days after sending that notice, unless the insolvent person consents to an earlier enforcement of the security.
- (2.1) **No advance consent.** - [For the] purposes of subsection (2), consent to earlier enforcement of a security may not be obtained by a secured creditor prior to the sending of the notice referred to in subsection (1).
- (3) **Exception.** - This section does not apply, or ceases to apply in respect of a secured creditor
 - (a) whose right to realize or otherwise deal with his security is protected by subsection 69.1(5) or (6); or
 - (b) in respect of whom a stay under sections 69 to 69.2 has been lifted pursuant to Section 69.4.
- (4) **Idem.** - This Section does not apply where there is a receiver in respect of the insolvent person.

This is **Exhibit "V"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

Ryan Laity
T: 604-632-3544
rlaity@blg.com

Jennifer Pepper
T: 604-640-4106
jpepper@blg.com

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blg.com

BLG
Borden Ladner Gervais

File No. 243008/000156

January 31, 2024

DELIVERED BY REGISTERED MAIL

1390951 B.C. Ltd.
300 – 272 Victoria Street
Kamloops, B.C., V2C 2A2

1390951 B.C. Ltd.
2449 Trans-Canada Highway,
Kamloops, B.C., V2C 4A9

Dear Sirs/Mesdames:

Re: Loans by Royal Bank of Canada (the “Lender”) to Vernon Recreational Product (VRP) Sales and Services Ltd. (the “Borrower”)

We are counsel for the Lender with respect to various loans (collectively, the “**Loans**”) advanced by the Lender to the Borrower pursuant to a credit agreement dated February 9, 2021, as amended by a first amendment to credit agreement dated April 26, 2021, a second amendment to credit agreement dated May 12, 2021, a third amendment to credit agreement dated July 25, 2022, a fourth amendment to credit agreement dated February 1, 2023, and a fifth amendment to credit agreement dated May 9, 2023 (collectively, as may be further amended, revised, restated, replaced or modified from time to time, the “**Credit Agreement**”)

We enclose a copy of the demand letter which we sent to the Borrower today in connection with the Credit Agreement and the Loans (the “**Borrower Demand**”).

We refer to your unlimited guarantee and postponement of claim dated February 7, 2023 (the “**Guarantee**”), whereby you guaranteed the obligations of the Borrower to the Lender, your general security agreement dated February 7, 2023 (the “**Security Agreement**”), in which you granted a security interest in favour of the Lender in all your present and after-acquired personal property and your postponement and assignment of claim dated February 7, 2023 (together with the Security Agreement, the “**Security**”), in which you postponed and assigned your claims against the Borrower to the Lender.

We are instructed by the Lender to demand payment of all amounts due and owing under the Guarantee. As of January 26, 2024, your liability to the Lender under the Guarantee is **\$6,732,652.60** plus accruing interest and legal fees (the “**Outstanding Amount**”).

Payment of the Outstanding Amount, including interest to the date of payment, should be made by bank draft or certified cheque within ten (10) days of the date of this letter payable to Royal Bank of Canada, 2nd Floor, 626 – 6th Avenue, New Westminster, British Columbia, V3M 6Z2, Attention: Mark Kemp-Gee. Prior to making payment, however, please contact Mr. Mark Kemp-Gee at 604-665-9804 or via e-mail (mark.kemp-gee@rbc.com) for confirmation of the Outstanding Amount on the date payment is made.

In connection with demand for the Outstanding Amount, we hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "Section 244 Notice").

Despite demand for repayment of the Outstanding Amount, at this time the Lender is prepared to forbear from enforcing on the Guarantee and Security on a temporary basis, provided that you, among others, agree to execute the following documents, copies of which are enclosed hereto:

1. the Forbearance Agreement; and
2. the Consent and Waiver attached to Section 244 Notice.

Notwithstanding anything contained herein, the Lender reserves all rights and remedies under the Credit Agreement, the Guarantee, the Security and any applicable law.

If you have any questions or wish to discuss this matter further, please contact the writer as soon as possible.

Yours truly,

BORDEN LADNER GERVAIS LLP

By: 
Ryan M. Latty

Enclosures

cc: Mr. Mark Kemp-Gee, Royal Bank of Canada (by email: mark.kemp-gee@rbc.com)

FORM 86
PURSUANT TO THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3.
(Subsection 244(1))

NOTICE OF INTENTION TO ENFORCE SECURITY

TO: **1390951 B.C. Ltd.,
an insolvent person**
300 – 272 Victoria Street
Kamloops, B.C., V2C 2A2

**1390951 B.C. Ltd.,
an insolvent person**
2449 Trans-Canada Highway,
Kamloops, B.C., V2C 4A9

TAKE NOTICE THAT:

1. Royal Bank of Canada (the “**Lender**”), a secured creditor, intends to enforce its security on the property of the insolvent person described below:
 - all present and after-acquired personal property (other than consumer goods) of 1390951 B.C. Ltd. (“**1390951**”), and all proceeds thereof and therefrom.
2. The security that is to be enforced includes the following:
 - a General Security Agreement (Form 924) dated February 7, 2023, granted by 1390951, as debtor, in favour of the Lender; and
 - a Postponement and Assignment of Claim (Form 918) dated February 7, 2023 granted by 1390951 in favour of the Lender,(collectively, the “**Security**”).
3. The total amount of the indebtedness secured by the Security, as at January 26, 2024, is **\$6,732,652.60**, plus accruing interest.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at Vancouver, British Columbia, on January 31, 2024.

ROYAL BANK OF CANADA,
by its solicitor:



Ryan M. Laity

CONSENT AND WAIVER

THE UNDERSIGNED hereby pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act* waives the ten-day period of notice required under Section 244 of the *Bankruptcy and Insolvency Act* (see extract below) and consents to the immediate enforcement by Royal Bank of Canada referred to in the Section 244 Notice dated January 31, 2024.

DATED at _____, British Columbia, on _____ 2024, at ____ a.m./p.m.

1390951 B.C. LTD.

Per: _____

Extract from the Bankruptcy and Insolvency Act

Section 244. Advance Notice

- (1) A secured creditor who intends to enforce a security on all or substantially all of
 - (a) the inventory,
 - (b) the accounts receivable, or
 - (c) the other property

of an insolvent person that was acquired for, or is used in relation to a business carried on by the insolvent person shall send to that insolvent person, in the prescribed form and manner, a notice of that intention.
- (2) **Period of Notice.** - Where a notice is required to be sent under subsection (1), the secured creditor shall not enforce the security in respect of which the notice is required until the expiry of ten days after sending that notice, unless the insolvent person consents to an earlier enforcement of the security.
- (2.1) **No advance consent.** - [For the] purposes of subsection (2), consent to earlier enforcement of a security may not be obtained by a secured creditor prior to the sending of the notice referred to in subsection (1).
- (3) **Exception.** - This section does not apply, or ceases to apply in respect of a secured creditor
 - (a) whose right to realize or otherwise deal with his security is protected by subsection 69.1(5) or (6); or
 - (b) in respect of whom a stay under sections 69 to 69.2 has been lifted pursuant to Section 69.4.
- (4) **Idem.** - This Section does not apply where there is a receiver in respect of the insolvent person.

Ryan Laity
T: 604-632-3544
rlaity@blg.com

Jennifer Pepper
T: 604-640-4106
jpepper@blg.com

Borden Ladner Gervais LLP
1200 Waterfront Centre
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Vancouver BC V7X 1T2
Canada
T 604-687-5744
F 604-687-1415
blg.com



File No. 243008/000156

January 31, 2024

DELIVERED BY REGISTERED MAIL

Michael Goodwin
8022 Colony Point Road, Box 107
Fort St. James, British Columbia, V0J 1P0

Dear Sirs:

Re: Loans by Royal Bank of Canada (the "Lender") to Vernon Recreational Product (VRP) Sales and Services Ltd. (the "Borrower")

We are counsel for the Lender with respect to various loans (collectively, the "**Loans**") advanced by the Lender to the Borrower pursuant to a credit agreement dated February 9, 2021, as amended by a first amendment to credit agreement dated April 26, 2021, a second amendment to credit agreement dated May 12, 2021, a third amendment to credit agreement dated July 25, 2022, a fourth amendment to credit agreement dated February 1, 2023, and a fifth amendment to credit agreement dated May 9, 2023 (collectively, as may be further amended, revised, restated, replaced or modified from time to time, the "**Credit Agreement**")

We enclose a copy of the demand letter which we sent to the Borrower today in connection with the Credit Agreement and the Loans (the "**Borrower Demand**").

We refer your unlimited guarantee and postponement of claim dated March 9, 2021 (the "**Guarantee**"), whereby you guaranteed the obligations of the Borrower to the Lender, and your postponement and assignment of claim dated March 9, 2021 (the "**Security**"), in which you postponed and assigned your claims against the Borrower to the Lender.

We are instructed by the Lender to demand payment of all amounts due and owing under the Guarantee. As of January 26, 2024, your liability to the Lender under the Guarantee is **\$6,732,652.60** plus accruing interest and legal fees (the "**Outstanding Amount**").

Payment of the Outstanding Amount, including interest to the date of payment, should be made by bank draft or certified cheque within ten (10) days of the date of this letter payable to Royal Bank of Canada, 2nd Floor, 626 – 6th Avenue, New Westminster, British Columbia, V3M 6Z2, Attention: Mark Kemp-Gee. Prior to making payment, however, please contact Mr. Mark Kemp-Gee at 604-665-9804 or via e-mail (mark.kemp-gee@rbc.com) for confirmation of the Outstanding Amount on the date payment is made.

Despite demand for repayment of the Outstanding Amount, at this time the Lender is prepared to forbear from enforcing on the Guarantee and Security on a temporary basis, provided that you, among others, agree to execute the Forbearance Agreement, a copy of which is enclosed hereto.

Notwithstanding anything contained herein, the Lender reserves all rights and remedies under the Credit Agreement, the Guarantee, the Security and any applicable law.

If you have any questions or wish to discuss this matter further, please contact the writer as soon as possible.

Yours truly,

BORDEN LADNER GERVAIS LLP

By: *RM Laity*
Ryan M. Laity

Enclosures

cc: Mr. Mark Kemp-Gee, Royal Bank of Canada (by email: mark.kemp-gee@rbc.com)

Ryan Laity
T: 604-632-3544
rlaity@blg.com

Jennifer Pepper
T: 604-640-4106
jpepper@blg.com

Borden Ladner Gervais LLP
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File No. 243008/000156

January 31, 2024

DELIVERED BY REGISTERED MAIL

Michael Goodwin
8022 Colony Point Road, Box 107
Fort St. James, British Columbia, V0J 1P0

Dear Sirs:

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We are instructed by the Lender to demand payment of all amounts due and owing under the Guarantee. As of January 26, 2024, your liability to the Lender under the Guarantee is **\$6,732,652.60** plus accruing interest and legal fees (the "**Outstanding Amount**").

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Notwithstanding anything contained herein, the Lender reserves all rights and remedies under the Credit Agreement, the Guarantee, the Security and any applicable law.

If you have any questions or wish to discuss this matter further, please contact the writer as soon as possible.

Yours truly,

BORDEN LADNER GERVAIS LLP

By: 
Ryan M. Laity

Enclosures

cc: Mr. Mark Kemp-Gee, Royal Bank of Canada (by email: mark.kemp-gee@rbc.com)

Ryan Laity
T: 604-632-3544
rlaity@blg.com

Jennifer Pepper
T: 604-640-4106
jpepper@blg.com

Borden Ladner Gervais LLP
1200 Waterfront Centre
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Vancouver BC V7X 1T2
Canada
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F 604-687-1415
blg.com

BLG
Borden Ladner Gervais

File No. 243008/000156

January 31, 2024

DELIVERED BY REGISTERED MAIL

Murray B. Sullivan
2020 Lahti Road
Houston, British Columbia, V0J 1Z1

Dear Sirs:

Re: Loans by Royal Bank of Canada (the "Lender") to Vernon Recreational Product (VRP) Sales and Services Ltd. (the "Borrower")

We are counsel for the Lender with respect to various loans (collectively, the "**Loans**") advanced by the Lender to the Borrower pursuant to a credit agreement dated February 9, 2021, as amended by a first amendment to credit agreement dated April 26, 2021, a second amendment to credit agreement dated May 12, 2021, a third amendment to credit agreement dated July 25, 2022, a fourth amendment to credit agreement dated February 1, 2023, and a fifth amendment to credit agreement dated May 9, 2023 (collectively, as may be further amended, revised, restated, replaced or modified from time to time, the "**Credit Agreement**")

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Despite demand for repayment of the Outstanding Amount, at this time the Lender is prepared to forbear from enforcing on the Guarantee and Security on a temporary basis, provided that you, among others, agree to execute the Forbearance Agreement, a copy of which is enclosed hereto.

Notwithstanding anything contained herein, the Lender reserves all rights and remedies under the Credit Agreement, the Guarantee, the Security and any applicable law.

If you have any questions or wish to discuss this matter further, please contact the writer as soon as possible.

Yours truly,

BORDEN LADNER GERVAIS LLP

By: 
Ryan M. Lait

Enclosures

cc: Mr. Mark Kemp-Gee, Royal Bank of Canada (by email: mark.kemp-gee@rbc.com)

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BLG
Borden Ladner Gervais

File No. 243008/000156

January 31, 2024

DELIVERED BY REGISTERED MAIL

Douglas Thibault
657 Cooper Place
Kamloops, British Columbia, V2B 8R8

Dear Sirs:

Re: Loans by Royal Bank of Canada (the "Lender") to Vernon Recreational Product (VRP) Sales and Services Ltd. (the "Borrower")

We are counsel for the Lender with respect to various loans (collectively, the "**Loans**") advanced by the Lender to the Borrower pursuant to a credit agreement dated February 9, 2021, as amended by a first amendment to credit agreement dated April 26, 2021, a second amendment to credit agreement dated May 12, 2021, a third amendment to credit agreement dated July 25, 2022, a fourth amendment to credit agreement dated February 1, 2023, and a fifth amendment to credit agreement dated May 9, 2023 (collectively, as may be further amended, revised, restated, replaced or modified from time to time, the "**Credit Agreement**")

We enclose a copy of the demand letter which we sent to the Borrower today in connection with the Credit Agreement and the Loans (the "**Borrower Demand**").

We refer your unlimited guarantee and postponement of claim dated March 9, 2021 (the "**Guarantee**"), whereby you guaranteed the obligations of the Borrower to the Lender, and your postponement and assignment of claim dated March 9, 2021 (the "**Security**"), in which you postponed and assigned your claims against the Borrower to the Lender.

We are instructed by the Lender to demand payment of all amounts due and owing under the Guarantee. As of January 26, 2024, your liability to the Lender under the Guarantee is **\$6,732,652.60** plus accruing interest and legal fees (the "**Outstanding Amount**").

Payment of the Outstanding Amount, including interest to the date of payment, should be made by bank draft or certified cheque within ten (10) days of the date of this letter payable to Royal Bank of Canada, 2nd Floor, 626 – 6th Avenue, New Westminster, British Columbia, V3M 6Z2, Attention: Mark Kemp-Gee. Prior to making payment, however, please contact Mr. Mark Kemp-Gee at 604-665-9804 or via e-mail (mark.kemp-gee@rbc.com) for confirmation of the Outstanding Amount on the date payment is made.

Despite demand for repayment of the Outstanding Amount, at this time the Lender is prepared to forbear from enforcing on the Guarantee and Security on a temporary basis, provided that you, among others, agree to execute the Forbearance Agreement, a copy of which is enclosed hereto.

Notwithstanding anything contained herein, the Lender reserves all rights and remedies under the Credit Agreement, the Guarantee, the Security and any applicable law.

If you have any questions or wish to discuss this matter further, please contact the writer as soon as possible.

Yours truly,


BORDEN LADNER GERVAIS LLP

By: 
Ryan M. Laity

Enclosures

cc: Mr. Mark Kemp-Gee, Royal Bank of Canada (by email: mark.kemp-gee@rbc.com)

This is **Exhibit "W"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

FORBEARANCE AGREEMENT

This Forbearance Agreement (this “**Agreement**”) is dated as of January 31, 2024 (the “**Effective Date**”),

AMONG:

ROYAL BANK OF CANADA, a chartered bank of Canada, with an office for notice purposes at 2nd Floor – 626 6th Avenue, New Westminster, British Columbia, V3M 6Z2

(the “**Bank**”)

AND:

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICES LTD., a corporation existing under the laws of the Province of British Columbia, having an address at 657 Cooper Place, Kamloops, British Columbia, V2B 8R8

(the “**Borrower**”)

AND:

1390951 B.C. LTD., a corporation existing under the laws of the Province of British Columbia, having an address at 2449 Trans-Canada Highway, Kamloops, British Columbia, V2C 4A9

(the “**1390951**”)

AND:

DOUGLAS THIBAUT, an individual ordinarily resident in the Province of British Columbia, having an address at 657 Cooper Place, Kamloops, British Columbia, V2B 8R8

(“**Thibault**”)

AND:

MICHAEL GOODWIN, an individual ordinarily resident in the Province of British Columbia, having an address at 8022 Colony Point Road, Box 107, Fort St. James, British Columbia, V0J 1P0

(“**Goodwin**”)

AND:

MURRAY B. SULLIVAN, an individual ordinarily resident in the Province of British Columbia, having an address at 2020 Lahti Road, Houston, British Columbia, V0J 1Z1

(“**Sullivan**”, collectively with 1390951, Thibault and Goodwin, the “**Guarantors**”, and together with the Borrower, the “**Obligors**”)

WHEREAS:

- A. The parties hereto entered into a credit agreement dated February 9, 2021, as amended by a first amendment to credit agreement dated April 26, 2021, a second amendment to credit agreement dated May 12, 2021, a third amendment to credit agreement dated July 25, 2022, a fourth amendment to credit agreement dated February 1, 2023, and a fifth amendment to credit agreement dated May 9, 2023 (collectively, as may be further amended, revised, restated, replaced or modified from time to time, the “**Credit Agreement**”), pursuant to which the Borrower, as borrower, is

indebted to the Bank, as lender, with respect to certain loans which are repayable on demand (collectively, the “**Loans**”).

- B. Each of the Guarantors has guaranteed the payment and performance by the Borrower of its obligations under the Credit Agreement, in each case pursuant to the terms of the guarantee and postponement agreements more particularly described in **Schedule “A”** attached hereto (collectively, the “**Guarantees**”).
- C. As security for the payment and performance of all obligations under the Credit Agreement, the Borrower granted to and in favour of the Bank a collateral mortgage (containing an assignment of rents) in the principal amount of \$4,330,000, charging the real properties located at:

- (i) 6255 Highway 97, Vernon B.C., and legally described as PID: 004-768-981, Lot 2 Sections 11 and 14 Township 8 Osoyoos Division Yale District Plan 27607 Except Plan H16713;
- (ii) 6256 Pleasant Valley Road Vernon, B.C., and legally described as PID: 005-446-937, Lot 6 Section 11 Township 8 Osoyoos Division Yale District Plan 25512; and
- (iii) 6395 Highway 97, Vernon B.C., and legally described as PID: 017-856-515, Lot A Section 14 Township 8 Osoyoos Division Yale District Plan KAP47732

(collectively, the “**Properties**”) that was registered in the Kamloops Land Title Office on March 15, 2021 under Registration Nos. CA8842618 (as a mortgage) and CA8842619 (as an assignment of rents) (the “**Mortgage**”).

- D. As additional security for the payment and performance of all obligations under the Credit Agreement and Guarantees, each of the Obligors have granted certain collateral security in favour of the Bank (collectively, with the Mortgage, the “**Security**”), including without limitation the agreements more particularly described in **Schedule “A”** attached hereto. Collectively, the Credit Agreement, the Mortgage, the Guarantees and the Security are referred to herein as the “**Loan Documents**”.

- E. Since December 2022, the Borrower breached certain financial covenants set out in the Credit Agreement, including without limitation, the following:

- (i) as of December 31, 2022, its Current Ratio was 1.04:1 (less than the 1.2:1 minimum as required under the Credit Agreement);
- (ii) as of April 30, 2023, its Total Liabilities to Tangible Net Worth Ratio, on a combined basis with 1390951, was 8.65:1 (exceeding the maximum permitted 6.1:1 under the Credit Agreement); and
- (iii) as of July 31, 2023, its Current Ratio, on a combined basis with 1390951, was 1.18:1 (less than the 1.2:1 minimum required under the Credit Agreement).

(collectively, the “**Financial Covenant Breaches**”).

- F. Commencing in October 2023, to assist the Borrower to remedy the Financial Covenant Breaches and emerge from its apparent financial distress, the Bank, at the request of the Borrower, agreed to:

- (i) make available to the Borrower additional credit on an *ad hoc* basis by way of temporary authorized credit limit increases on the Operating Facility (the “**Temporary Support Credit**”). Such Temporary Support Credit was advanced on the condition that all such advances would be repaid to the Bank in full by no later than January 14, 2024, which the Bank later agreed to extend to January 31, 2024 (such deadline referred to herein as the “**Temporary Support Credit Repayment Date**”). As of the Effective Date, the amount of principal advances outstanding in connection with the Temporary Support Credit is approximately \$400,000; and
 - (ii) waive, on a temporary basis, the mandatory curtailment payments of outstanding principal on certain RV Facilities (as defined below) as required under the Credit Agreement (collectively, the “**Outstanding Curtailment Payments**”) for the months of October 2023, November 2023, and December 2023, in the total amount of approximately \$520,000 (with interest accruing thereon), on the understanding that such Outstanding Curtailment Payments would be paid as soon as possible.
- G. The Borrower has failed to repay the advances made pursuant to the Temporary Support Credit on or before the Temporary Support Credit Repayment Date, and has so far failed to pay the Outstanding Curtailment Payments. As such, notwithstanding that the Loans are repayable immediately upon demand, the Borrower is in default of the terms and conditions set out in the Loan Documents (collectively, the “**Defaults**”).
- H. On January 31, 2024, counsel for the Bank sent a letter demanding immediate payment and performance by the Borrower and the Guarantors of their obligations under the Loan Documents (the “**Demand Letter**”), together with a Notice of Intention to Enforce Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) to the Borrower and 1390951 with respect to the Security (the “**Section 244 Notices**”).
- I. Despite the Defaults and the Demand Letter, the Bank is prepared to forbear from enforcing on the Loan Documents at this time, and to permit the Loans to remain outstanding on a temporary basis as set out herein, solely on the basis that the Obligors strictly comply with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises, covenants and agreements set out herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties covenant and agree as follows:

1. **Interpretation.** All capitalized terms used herein that are not otherwise defined shall have the meanings set out in the Credit Agreement.
2. **Acknowledgement of Indebtedness, Guarantees and Mortgage.**
 - 2.1 Each of the Obligors hereby acknowledges the occurrence of Default and further acknowledges, confirms and agrees that, but for this Agreement, the Bank would be able to make demand for immediate payment of the Loans and otherwise enforce on the Loan Documents.
 - 2.2 The Obligors hereby acknowledge, confirm and agree that they are liable to the Bank in respect of the Loans pursuant to the Credit Agreement, as more particularly described below (collectively, the “**Indebtedness**”), which as at January 26, 2024, is the total amount of **\$6,732,652.60**, plus accruing interest and all fees payable hereunder:

	Facility	Amount Outstanding
1.	New RV Facility (Northwood)	\$713,369.92
2.	New RV Facility (Forest River/Coachmen/Sandpiper)	\$2,155,809.63
3.	New RV Facility (Thor)	\$102,798.84
4.	New RV Freight Facility (Team RV Express)	\$6,722.62
5.	Used RV Facility	\$865,119.90
6.	Operating Facility	\$635,505.25
7.	Term Facility Segment 1 (fully drawn)	\$1,058,631.35
8.	Term Facility Segment 2 (fully drawn)	\$1,066,369.30
9.	Term Facility Segment 3 (fully drawn)	\$80,998.91
10.	Other - Credit Card	\$47,326.88
	<u>TOTAL:</u>	<u>\$6,732,652.60</u>

(the Credit Facilities numbered 1 through 5 above (all inclusive) are collectively referred to herein as the “RV Facilities”, and each a “RV Facility”).

2.3 Each of the Guarantors hereby acknowledges, confirms and agrees that the Guarantees to which it is party are valid and enforceable in accordance with their terms and shall remain in full force and effect for the benefit of the Bank following the execution of this Agreement.

2.4 Each of the Obligors hereby acknowledges, confirms and agrees that the Security to which it is party is valid and enforceable and secures the payment of all Indebtedness and performance of all other obligations to the Bank, and that the Security shall remain in full force and effect for the benefit of the Bank following the execution of this Agreement.

3. **Forbearance Term**

3.1 This Agreement shall terminate on **April 30, 2024** (the “Forbearance Termination Date”) unless extended in writing by the Bank and the Obligors.

3.2 Upon the Forbearance Termination Date, the Bank may extend the term of this Agreement on the terms and conditions that it considers appropriate in its sole discretion at such time, including without limitation, requiring payment of an extension or forbearance fee.

4. **Bank’s Forbearance**

4.1 During the term of this Agreement, and provided that none of the Obligors is in default hereunder, the Bank shall:

- (a) forbear from enforcing the repayment of the Indebtedness or realizing on the Security or Guarantees, except as provided for herein, until the Forbearance Termination Date;
- (b) continue to make the Temporary Support Credit available to the Borrower and further extend the Temporary Support Credit Repayment Date from January 31, 2024 to March 31, 2024; provided that the credit limit for such Temporary Support Credit shall be:
 - (i) between February 1, 2024 and February 29, 2024, the maximum amount of \$400,000;
 - (ii) between March 1, 2024 and March 31, 2024, the maximum amount of \$100,000, and
 - (iii) commencing on April 1, 2024 and continuing thereafter, reduced to \$NIL (with the credit limit of the Operating Facility remaining at \$300,000 in accordance with the Credit Agreement), and

the Borrower shall make such payments as are required to ensure that the outstanding balance under the Operating Facility (including the Temporary Support Credit) remains below the credit limits as set out above at all times;

- (c) waive the mandatory curtailment payments of outstanding principal on the RV Facilities required under the Credit Agreement for the months of January 2024 (approximately \$261,000), February 2024 (approximately \$365,000), and March 2024 (approximately \$291,000); provided that for greater certainty, the Borrower must nonetheless pay or perform all other obligations as and when due under the Credit Agreement, including without limitation, pay all interest and mandatory monthly payments on the Term Loans.

5. Forbearance Adjustments to Credit Availability

5.1 During the term of this Agreement:

- (a) other than pursuant to sections 4.1(b) or 4.1(c) above, the Bank shall not be required to advance additional credit to the Borrower, but may do so in its sole discretion;
- (b) without limiting the generality of Section 5.1(a) above:
 - (i) no advances shall be made under any RV Facility to finance an acquisition of new inventory unless (A) the Borrower has delivered to the Bank a signed purchase and sale agreement regarding such new inventory (in form and substance satisfactory to the Bank in its sole discretion); and (B) the Bank has consented to such advance in writing; and
 - (ii) the Borrower hereby consents to the Bank sending each original equipment manufacturer or other inventory supplier a notice letter confirming that all inventory purchases shall be subject to the Bank's prior approval, in form and substance satisfactory to the Bank in its sole discretion;
- (c) notwithstanding section 5.1(b) above, the Bank shall not make any further advances under the following RV Facilities:
 - (i) New RV Facility (SylvanSport);

(ii) New RV Facility (Riverside); or

(iii) New RV Facility (Thor);

and the amount of credit available under each such facility shall be reduced to the amount outstanding as of the Effective Date (if any); and

(d) the credit limit for the New RV Facility – Account EI3406 Forest River RVs shall be reduced from \$2,700,000 to \$2,300,000.

5.2 The Maturity Dates for each of:

(a) Term Facility Segment 1 (Loan #71595301 – 002), which has a Maturity Date of March 1, 2024; and

(b) Term Facility Segment 3 (Loan #71595301 – 006), which has a Maturity Date of March 15, 2024,

are hereby extended until the Forbearance Termination Date.

6. Conditions and Deliverables:

6.1 Notwithstanding any other provision of this Agreement, the effectiveness of this Agreement is subject to and conditional on the fulfilment of the following:

(c) the Bank shall have received this Agreement, duly executed and delivered by each of the Obligor;

(d) the Obligor shall have paid all fees and expenses incurred by the Bank in connection with this Agreement and the Loan Documents up to the Effective Date (including without limitation, all legal expenses on a solicitor and own client basis);

(e) the Borrower shall have paid to the Bank a forbearance fee in the amount of **\$2,500**, which the Borrower hereby acknowledges is fully-earned and payable as of the Effective Date;

(f) the Borrower shall have paid to the Bank outstanding blended payments for the month of October 2023 in the amounts of **\$8,703.07** (in respect of Term Facility Segment 2) and **\$7,341.88** (in respect of Term Facility Segment 3);

(g) the Borrower shall have granted in favour of the Bank, as security for the payment and performance of all obligations of the Borrower under the Credit Agreement and this Agreement, a supplemental collateral mortgage (containing an assignment of rents) in the principal amount of \$1,000,000 (the “**Supplemental Mortgage**”) charging the Properties that is first in priority (subject only to the Mortgage), and be in form and substance satisfactory to the Bank in its sole discretion;

(h) the Bank shall have received confirmation that all applicable property taxes in respect of the Properties have been paid and that there are no arrears;

(i) in connection with the Demand Letter and Section 244 Notice, the Borrower and 1390951

shall have executed and delivered to the Bank a consent and waiver expressly permitting the Bank to immediately enforce on the Security and other Loan Documents pursuant to Section 244(2) of the BIA (the “**Enforcement Consent**”); and

- (j) the Bank shall have obtained such supporting guarantees, security, agreements, or other documentation as the Bank or its counsel may require.

7. **Covenants and Acknowledgements of the Obligors**

7.1 Each Obligor hereby acknowledges, confirms, covenants and agrees as follows:

- (a) that each of the recitals to this Agreement is accurate and true in all respects;
- (b) to comply with all of the terms of this Agreement;
- (c) to comply with all of the terms of the Loan Documents to which they are party, except as those terms may be specifically amended or modified by this Agreement;
- (d) unless such funds are to repay the Indebtedness or other obligations of the Borrower to the Bank, the Borrower shall not borrow monies from any person or persons on the security of their assets, except with the written consent of the Bank;
- (e) to take all reasonable steps, without causing a default under this Agreement or any Loan Document, to prevent any creditor of the Obligors from obtaining a judgment or from commencing any execution proceedings against them or their real or personal property;
- (f) that they have no claim or causes of action against the Bank, either in respect of the Loans, the Security, the Guarantees, or otherwise; and
- (g) to reimburse and indemnify the Bank for all professional fees and expenses incurred by the Bank to date and to pay all additional professional fees and expenses incurred by the Bank for legal or other professional services (on a solicitor and own client basis), including payment of the fees which the Bank incurs as a result of the preparation or implementation of this Agreement or any enforcement under any Loan Documents.

7.2 Each Obligor hereby further covenants and agrees:

- (a) to carry on business in the normal course and in material compliance with all applicable laws;
- (b) to pay all priority claims during the term of this Agreement (priority claims means all amounts owing or required to be paid, where the failure to pay any such amount would give rise to a claim pursuant to any law, statute, regulation or otherwise which ranks in priority to the Security or otherwise in priority to any claim by the Bank for repayment of the Indebtedness);
- (c) to provide the Bank with immediate written notice upon the occurrence of any material change affecting the Obligors’ business operations, including without limitation, any:
 - (i) material write down in the value of the Properties;
 - (ii) change in the ownership structure of the Obligors; or

- (d) to provide the Bank with such financial reporting or other information as the Bank may reasonably request from time to time.

7.3 The Borrower hereby covenants and agrees that it will not, without prior written consent by the Bank acting reasonably:

- (a) pay any dividend or make any other distribution to shareholders;
- (b) repay shareholder's or other non-arm's length loans, or any interest thereon;
- (c) issue any unissued shares in their capital or grant any option or right to acquire unissued shares;
- (d) approve any transfer of its shares;
- (e) pay any director's fees;
- (f) pay any new officers, managers or personnel or consultants or increase any remuneration to any present officers or consultants, other than in the ordinary course of business;
- (g) incur or commit to any capital or other expenditures, except to the extent permitted under this Agreement;
- (h) purchase any capital equipment or real property;
- (i) commence any litigation, other than for the purpose of collecting debts owed to it or compromise any existing or threatened litigation;
- (j) transfer, assign, convey, mortgage, charge or otherwise dispose of any real or personal property or interest in real or personal property other than as may be required to repay the Loans, or as set out herein or permitted under the Credit Agreement; or
- (k) pass a resolution or institute proceedings for its bankruptcy, winding up, liquidation or dissolution, consent to the institution or filing of any petition or proceeding with respect thereto or file a petition or commence a proceeding or action seeking reorganization, re-adjustment, rearrangement, restructuring, composition or summary relief under any Canadian or any other applicable law or consent to the filing of any such petition or to the appointment of a receiver, receiver-manager, liquidator, trustee or similar officer of itself or any of its real or personal property.

7.4 The Borrower further covenants and agrees:

- (a) not to purchase any new inventory except with prior written approval of the Bank;
- (b) except as noted in sections 4.1(b) or 4.1(c), to keep current all payments required to be made under the Credit Agreement, including without limitation, all material taxes (including interest and penalties thereon) and all amounts owing or required to be paid where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking, in priority to the Security or otherwise in priority to any claim by the Bank;

- (c) to payout in full all outstanding payout balances with respect to the financed inventory described in **Schedule "B"** attached hereto by no later than **April 30, 2024**, the total amount of such payout balances being **\$1,080,534.66**, in accordance with the following repayment milestones:
 - (i) \$250,000 shall be repaid by no later than **February 29, 2024**;
 - (ii) a further amount of \$300,000 shall be repaid by no later than **March 31, 2024**; and
 - (iii) the remaining \$530,535 shall be repaid by no later than **April 30, 2024**.
- (d) to sell the following motor vehicle by no later than February 29, 2024 and to apply the net sale proceeds towards the Borrower's working capital:

2023 Chevrolet Corvette (the "**2023 Corvette**"), with serial number 1G1YF3D38P5602089.

- 7.5 As further consideration of the Bank's forbearance on the terms and conditions set out in this Agreement, the Obligors hereby acknowledge, confirm and agree that should there be an Event of Default, as defined in Section 11 herein, they will not oppose but hereby consent to the Bank commencing realization proceedings under the terms of the Loan Documents, including the Mortgage, Supplemental Mortgage or any other supplemental security documents granted pursuant to Section 6 above, and hereby further consent to the Bank exercising any inventory repurchase rights or options pursuant to any manufacturer repurchase agreement(s) or similar arrangement(s) with the original equipment manufacturer(s).

8. Reporting Requirements

- 8.1 The Obligors hereby agree to provide the Bank with the following:

- (a) a monthly cash flow forecast through to April 30, 2024 (the "**Cash Flow Forecast**"), satisfactory to the Bank, to be delivered to the Bank on the Effective Date, and an updated Cash Flow Forecast for the following three-month period, to be delivered to the Bank by no later than the 22nd day of each month, commencing February 22, 2024;
- (b) monthly variance reporting, showing actual to projected results for the Cash Flow Forecast in the preceding month, to be delivered to the Bank by the 10th day of the following month, with the first such report due on March 10, 2024 with respect to the month of February 2024;
- (c) weekly Aged Inventory sales reports showing all units sold in the preceding week. Such reports shall be delivered to the Bank by 5:00PM (Vancouver time) on each Monday, and will include at least the following information: make, model, VIN, model year of the unit, the sale value before taxes, related taxes and the outstanding loan value in respect of the unit; and
- (d) within 2 business days of the sale of the 2023 Corvette: (i) a copy of the applicable agreement of purchase and sale or bill of sale (showing both the gross and net sale proceeds after encumbrances are paid-out in full); and (ii) evidence that the Borrower has deposited the net proceeds of sale into its business deposit account with the Bank.

9. Tolling of Applicable Limitation Periods

9.1 As further consideration of the Bank's forbearance on the terms and conditions set out in this Agreement, each of the Obligors hereby acknowledges, confirms and agrees that until the earlier of: (i) the Forbearance Termination Date (as may be extended pursuant to Section 3 hereof); or (ii) such date as the Bank has made demand for repayment of the obligations of the Obligors pursuant to the Loans and the Indebtedness:

- (a) any applicable limitation periods, including without limitation those as prescribed by the *Limitation Act*, S.B.C. 2012, Ch. 13, for the commencement of any actions as between the Bank and the Obligors relating to matters referenced herein, or related to the matters referenced herein, are hereby suspended as of the date of this Agreement; and
- (b) they are estopped from raising or arguing in any manner that limitation periods have continued to accrue while the agreement to not commence any action contained in this Agreement remains in effect, and that this Agreement may be produced to a Court of competent jurisdiction in any proceedings between or involving the parties hereto to conclusively establish that the accrual of all limitation periods was postponed by this Agreement.

10. Acknowledgement and Releases

10.1 The Obligors hereby acknowledge and agree that:

- (a) the Obligors and each of them have no claims or causes of action against the Bank of any kind and, if any claims or causes of action exist or arise, the Obligors and each of them hereby release the Bank from and any and all claims or causes of action whatsoever; and
- (b) the Obligors and each of them acknowledge that the Bank has entered into this Agreement based upon the representations made herein and the Obligors and each of them have no claims or causes of action against the Bank and no defences to the right of the Bank to the repayment of the Indebtedness and to the right of the Bank to enforce the Loan Documents.

11. Events of Default and Termination

11.1 It shall be an event of default (an "**Event of Default**") under this Agreement if, at any time after its execution:

- (a) any Obligor fails to duly perform or observe any term, covenant or obligation contained in this Agreement;
- (b) without limiting the generality of the foregoing, any Obligor fails to make any of the payments called for in this Agreement;
- (c) any encumbrancer or creditor of any Obligor takes possession of, or take steps to realize or execute against any real or personal property of such Obligor, and such encumbrancer or creditor remains unsatisfied for a period of seven (7) days;
- (d) any agreement material to the business operations of any Obligor is terminated without the prior approval of the Bank;
- (e) any Obligor, without the prior written consent of the Bank:

- (i) passes a resolution or institutes proceedings for their bankruptcy, winding-up, liquidation or dissolution or consents to the institution or filing of any petition or proceeding with respect thereto;
- (ii) files a petition or commences a proceeding or action seeking reorganization, re-adjustment, rearrangement, restructuring, composition or similar relief under any Canadian or other applicable law or consents to the filing of any such petition or to the appointment of a receiver, receiver-manager, liquidator, trustee or similar officer of itself or of any of its real or personal property;
- (iii) makes an assignment or files a proposal for the benefit of its creditors; or
- (iv) takes any action in furtherance of any of the aforesaid purposes.

11.2 Upon the occurrence of an Event of Default:

- (a) the Bank may, at its option:
 - (i) declare the Loans and all other sums owed to it by the Obligors to be immediately due and payable;
 - (ii) immediately commence enforcement, foreclosure, or other realization proceedings with respect to any of the Security or any of the Guarantees;
 - (iii) without further notice to the Obligors, appoint a receiver or receiver-manager (including by way of private instrument appointment) of the Borrower or the Guarantors, or any of the real or personal property of the Borrower or Guarantors; or
 - (iv) pursue such other remedies as it deems appropriate; and
- (b) in the event that the Bank commences foreclosure proceedings pursuant to the Mortgage (as defined in **Schedule "A"** hereto) or the Supplemental Mortgage, the Obligors hereby confirm, agree and consent to the granting of an order nisi of foreclosure with a one-day redemption period and immediate conduct of sale.

11.3 Notwithstanding the foregoing, the Obligors hereby acknowledge, confirm and agree that the Bank may, if in its sole discretion it determines that there has been a material adverse change in the affairs of any Obligor or in its security position, immediately declare this Agreement to be of no further force and effect and may, without further notice to the Obligors, immediately take such steps as it deems necessary or advisable to realize on the Security or any of the Guarantees, including without limitation, commencing foreclosure or other realization proceedings, or appointing a receiver or receiver-manager (including by way of private instrument or appointment), a trustee in bankruptcy, or liquidator of the Obligors and/or their real and personal property. For the benefit of this section, material adverse change shall be determined on the basis of what is considered commercially reasonable.

12. Indemnity

12.1 Each of the Obligors hereby covenant and agrees to indemnify and save harmless the Bank and any agent of the Bank from and against any and all actions, causes of action, liabilities, claims or

demands arising out of this Agreement or any Loan Document.

13. Notices

- 13.1 Any notices required under this Agreement shall be given in writing and delivered by courier to the parties at the addresses set out herein, except in the case of the Bank notice shall be given to:

Royal Bank of Canada
Special Loans and Advisory Services
2nd Floor – 626 6th Avenue, New Westminster
British Columbia, V3M 6Z2

Attention: Mark Kemp-Gee
Email: mark.kemp-gee@rbc.com

– with a copy to –

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, V7X 1T2

Attention: Ryan Laity and Jennifer Pepper
Email: rlaity@blg.com and jpepper@blg.com

14. General Provisions

- 14.1 Time shall be of the essence of this Agreement.
- 14.2 This Agreement is binding upon and will enure to the benefit of the Bank, the Obligors, and their respective heirs, executors, administrators, successors and assigns.
- 14.3 The Bank shall have the right to assign all or any portion of the Loans and its rights, benefits and obligations under the Loan Documents to a third party (an “Assignee”) without the consent of the Obligors. By executing this Agreement, the Obligors consent to the disclosure by the Bank of all and any information (including what may be personal information) regarding the Obligors to any Assignee or proposed Assignee.
- 14.4 Should any provision of this Agreement be declared or held invalid or unenforceable by a court of competent jurisdiction, then such invalidity or unenforceability will not affect the validity or enforceability of any or all of the remaining provisions of this Agreement which will continue in full force and effect and be construed as if this Agreement had been executed without the invalid and unenforceable provision.
- 14.5 Each of the Obligors acknowledges and confirms that it has received independent legal advice with respect to the execution of this Agreement and all related documentation, and confirms that it is entering into this Agreement on its own free will without any coercion or duress having been imposed upon it by the Bank or any other party.
- 14.6 The Obligors will each execute such other and further documents and assurances as may be necessary or will do such other acts and things as may be required in order to carry out the transactions contemplated by this Agreement.

- 14.7 In this Agreement words importing a gender will include either gender and words importing the singular will include the plural and vice versa and words importing the person will include persons, firms or corporations.
- 14.8 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. The parties hereto irrevocably attorn to the exclusive jurisdiction of the Supreme Court of British Columbia or any successor court thereto in connection with, related to or in any way arising from this Agreement.
- 14.9 This Agreement may be executed in any number of counterparts and by any method of electronic execution, and may be delivered by way of facsimile, email or other mode of electronic delivery (including in Portable Document Format), and each such counterpart when delivered shall be deemed to be an original and all of which together shall constitute one and the same document. The date of execution will be deemed to be dated as of the date and year first above written.
- 14.10 This Agreement is supplemental to and amends the Credit Agreement, and is supplemental to the other Loan Documents. The Loan Documents, as supplemented and amended (as applicable) by this Agreement and subject to the terms of this Agreement in all respects, remain in full force and effect and are hereby ratified and confirmed. The provisions of this Agreement are in addition to, and not (except to the extent they expressly amend the same) in substitution for the provisions of the Loan Documents. In an event of any conflict between the terms of the Credit Agreement and the terms of this Agreement, the provisions of this Agreement shall govern to the extent necessary to remove the conflict.
- 14.11 This Agreement shall be effective in accordance with its terms notwithstanding the Bank continuing to make the Temporary Credit Support available to the Borrower pursuant to the terms hereof. Each of the Obligors hereby acknowledges, confirms and agrees that it will derive substantial benefits from the Bank's accommodations hereunder, and that such accommodations by the Bank do not in any way imply a condonation of the Defaults by the Bank, nor invalidate or otherwise limit the effectiveness of the Demand Letter, Section 244 Notice, or the Enforcement Consent, following conclusion of the Forbearance Termination Date or upon an Event of Default (as defined herein).

[Signatures pages follow – remainder of page is intentionally blank]

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

BANK

ROYAL BANK OF CANADA,
by its authorized signatory:

Per: 

Name: Mark Kemp-Gee
Title: SLAS Senior Manager

BORROWER

**VERNON RECREATIONAL PRODUCTS (VRP)
SALES AND SERVICES LTD.,**
by its authorized signatory:

Per: _____

Name: _____
Title: _____

GUARANTORS

1390951 B.C. LTD.,
by its authorized signatory:

Per: _____

Name: _____
Title: _____

WITNESS

DOUGLAS THIBAUT

WITNESS

MICHAEL GOODWIN

WITNESS

MURRAY B. SULLIVAN

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

BANK

ROYAL BANK OF CANADA,
by its authorized signatory:

Per: _____

Name: _____

Title: _____

BORROWER

**VERNON RECREATIONAL PRODUCTS (VRP)
SALES AND SERVICES LTD.,**
by its authorized signatory:

Per: _____

Name: Douglas Thibault
Title: Director

GUARANTORS

1390951 B.C. LTD.,
by its authorized signatory:

Per: _____

Name: Douglas Thibault
Title: Director & Treasurer



WITNESS



DOUGLAS THIBAUT

WITNESS

MICHAEL GOODWIN

WITNESS

MURRAY B. SULLIVAN

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

BANK

ROYAL BANK OF CANADA,
by its authorized signatory:

Per:

Name:

Title:

BORROWER

VERNON RECREATIONAL PRODUCTS (VRP)
SALES AND SERVICES LTD.,
by its authorized signatory:

Per:

Name:

Title:

GUARANTORS


1390951 B.C. LTD.,
by its authorized signatory:

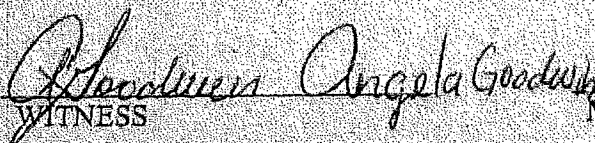
Per:

Name:

Title:

 Jana Marco
WITNESS


DOUGLAS THIBAUT


WITNESS


MICHAEL GOODWIN


WITNESS


MURRAY B. SULLIVAN

Signature page to Forbearance Agreement

SCHEDULE "A"**GUARANTEES AND SECURITY****Guarantees:**

1. Unlimited Guarantee and Postponement of Claim, dated March 9, 2021, granted by Thibault in favour of the Bank;
2. Unlimited Guarantee and Postponement of Claim, dated March 9, 2021, granted by Goodwin in favour of the Bank;
3. Unlimited Guarantee and Postponement of Claim, dated March 9, 2021, granted by Sullivan in favour of the Bank;
4. Unlimited Guarantee and Postponement of Claim, dated February 7, 2023, granted by 1390951 in favour of the Bank;

Mortgage:

5. the Mortgage;

Other Security:

6. General Security Agreement (Form 924) dated March 9, 2021 granted by the Borrower in favour of the Bank, charging all present and after-acquired personal property of the Borrower;
7. General Security Agreement (Form 924) dated February 7, 2023 granted by 1390951 in favour of the Bank, charging all present and after-acquired personal property of the 1390951;
8. Dealer Inventory Security Agreement dated March 9, 2021, granted by the Borrower in favour of the Bank;
9. Authorization and Direction re: Section 427 Bank Act Security dated March 9, 2021, granted by the Borrower in favour of the Bank;
10. Notice of Intention (E-Form 710) dated March 8, 2021 granted by the Borrower in favour of the Bank;
11. Promise to Give Security Under Section 427 of the *Bank Act* and Warehouse Receipts and/or Bills of Lading (E-Form 680) dated March 10, 2021, granted by the Borrower in favour of the Bank;
12. Agreement as to Loans and Advances and Security under Section 427 of the *Bank Act* for such Loans and Advances (E-Form 677) dated March 10, 2021, granted by the Borrower in favour of the Bank;
13. Assignment Under Section 427 of the *Bank Act* (E-Form 687) dated March 10, 2021, granted by the Borrower in favour of the Bank;
14. Landlord Waiver and Access Agreement dated March 9, 2021 between the Bank and the Borrower, as landlord, acknowledged by the Borrower;

15. Postponement and Assignment of Claim (Form 918) dated March 9, 2021 from Thibault in favour of the Bank;
16. Postponement and Assignment of Claim (Form 918) dated March 9, 2021 from Goodwin in favour of the Bank;
17. Postponement and Assignment of Claim (Form 918) dated March 9, 2021 from Sullivan in favour of the Bank; and
18. Postponement and Assignment of Claim (Form 918) dated February 7, 2023 from 1390951 in favour of the Bank.

SCHEDULE "B"
AGED INVENTORY

Serial Number	Last 6	Model	Year	Invoice No.	Invoice Date	Advance Date	Original Amount	Current / Payout Balance
<u>EI3406 - New FP Equip - Forest River RVs</u>								
5ZT2CXHC6NL	013993	COACHMEN APEX	2022	12287306	29-04-22	04-05-22	\$ 29,235.37	\$ 20,464.75
5ZT2CXHCXPL	014793	COACHMEN APEX	2022	12484345	29-07-22	03-08-22	29,670.40	26,703.36
5ZT2SSGC8NE	020374	SHASTA OASIS	2022	12380801	13-06-22	14-06-22	26,379.66	21,103.72
5ZT2SSPB2NE	020457	SHASTA OASIS	2022	12425085	30-06-22	05-07-22	33,867.37	30,480.63
5ZT2SSHC7PE	020576	SHASTA OASIS	2022	12460003	20-07-22	21-07-22	28,060.79	25,254.71
5ZT2SSGC4PE	020665	SHASTA OASIS	2022	12488420	04-08-22	04-08-22	26,070.31	23,463.28
5ZT2WPSBXNW	024517	WORK AND PLAY	2022	12291298	03-05-22	05-05-22	46,186.04	32,330.24
5ZT2FENB1NW	024566	FREEDOM EXPRESS	2022	12330629	20-05-22	25-05-22	38,003.91	26,602.74
5ZT2WPSB6NW	025163	WORK AND PLAY	2022	12429842	06-07-22	06-07-22	60,559.34	54,503.41
5ZT2WPKB5NW	025199	FREEDOM EXPRESS	2022	12432182	08-07-22	08-07-22	52,470.59	47,223.53
5ZT2FEUB1PW	025771	FREEDOM EXPRESS	2022	12471658	26-07-22	27-07-22	43,923.87	39,531.48
5ZT2WPSB7PW	025904	WORK AND PLAY	2022	12481816	29-07-22	02-08-22	46,415.20	41,773.68
5ZT2WPKB6PW	025909	WORK AND PLAY	2022	12484326	29-07-22	03-08-22	45,811.83	41,230.65
4X4FSAK2ONJ	044813	SANDPIPER TOWABLES	2022	12268911	22-04-22	26-04-22	76,063.32	45,638.00
4X4FCAP2ONG	105547	CARDINAL	2022	12222479	01-04-22	05-04-22	87,189.39	52,313.63
4X4FCAL29NG	105732	Cardinal Towables	2022	12465775	22-07-22	25-07-22	87,253.84	78,528.46
4X4TCK611N9	137588	CHEROKEE	2022	12413470	27-06-22	29-06-22	24,746.93	19,797.55
4X4TVBW2ONT	153299	Vibe	2022	12352147	31-05-22	02-06-22	35,663.87	28,531.09
4X4TVBT11NT	153338	VIBE TRAILER	2022	12442246	12-07-22	13-07-22	32,927.62	29,634.86
4X4TVB823NT	153352	VIBE TRAILER	2022	12453778	18-07-22	19-07-22	49,005.52	44,104.97
Subtotal							899,505.17	729,214.74
<u>EI3409 - New FP Equip - Thor and Cruiser RVs</u>								
5RXDB282XNN	506567	TRAVEL TRAILER	2022	01205624 051	27-04-22	28-04-22	39,485.20	23,691.12
5RXDB2728NN	509436	TRAVEL TRAILER	2022	01205629 051	27-04-22	28-04-22	40,940.59	24,564.35
5RXDB2628NN	513438	Shadow Cruiser	2022	01220724-051	03-06-22	07-06-22	36,925.57	29,540.45
Subtotal							117,351.36	77,795.92
<u>EI3410 - Used FP Equip - RVs</u>								
5L4TL322261	011159	LS323	2006			02-11-22	10,000.00	10,000.00
4X4TCKX23K9	130693	CHEROKEE 22RD	2019			11-08-22	28,000.00	25,200.00
4X41WDY2891	135967	T22	2009			02-11-22	11,000.00	11,000.00
4N15R2329PD	155923	FOX MOUNTAIN	2023			02-09-22	75,240.00	75,240.00
MB2K27	73D919	WAKESETTER	2019			12-07-22	163,000.00	130,400.00
1UJBJOAJ5H7	7K0135	JAYFLIGHT 175RD	2017			08-09-22	15,000.00	15,000.00
Subtotal							302,240.00	266,840.00
<u>EI3446 - New FP Equip - Team RV Express Freight</u>								
FORESXXPL	015768	APEX NANO	2024	51211C	02-03-23	02-03-23	6,684.00	6,684.00
Subtotal							6,684.00	6,684.00
Grand Total - Units to be paid out by April 30, 2024							\$1,325,780.53	\$ 1,080,534.66

This is **Exhibit "X"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

**FIRST AMENDMENT TO THE
FORBEARANCE AGREEMENT**

This First Amendment to the Forbearance Agreement (this “**Agreement**”) is dated effective as of May 13, 2024 (the “**Effective Date**”),

AMONG:

ROYAL BANK OF CANADA, a chartered bank of Canada, with an office for notice purposes at 2nd Floor – 626 6th Avenue, New Westminster, British Columbia, V3M 6Z2

(the “**Bank**”)

AND:

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD., a corporation existing under the laws of the Province of British Columbia, having an address at 657 Cooper Place, Kamloops, British Columbia, V2B 8R8

(the “**Borrower**”)

AND:

1390951 B.C. LTD., a corporation existing under the laws of the Province of British Columbia, having an address at 2449 Trans-Canada Highway, Kamloops, British Columbia, V2C 4A9

(the “**1390951**”)

AND:

DOUGLAS THIBAUT, an individual ordinarily resident in the Province of British Columbia, having an address at 657 Cooper Place, Kamloops, British Columbia, V2B 8R8

(“**Thibault**”)

AND:

MICHAEL GOODWIN, an individual ordinarily resident in the Province of British Columbia, having an address at 8022 Colony Point Road, Box 107, Fort St. James, British Columbia, V0J 1P0

(“**Goodwin**”)

AND:

MURRAY B. SULLIVAN, an individual ordinarily resident in the Province of British Columbia, having an address at 2020 Lahti Road, Houston, British Columbia, V0J 1Z1

(“**Sullivan**”, collectively with 1390951, Thibault and Goodwin, the “**Guarantors**”, and together with the Borrower, the “**Obligors**”)

WHEREAS:

- A. The parties hereto have entered into a forbearance agreement dated January 31, 2024 (the “**Forbearance Agreement**”) in connection with certain Financial Covenant Breaches under the

Credit Agreement and other Loan Documents (in each case, as defined in the Forbearance Agreement).

- B. The term of the Forbearance Agreement expired on April 30, 2024.
- C. The Obligors have requested, and the Bank has agreed, to amend the terms of the Forbearance Agreement to, among other things, extend the Forbearance Termination Date to May 31, 2024, pursuant to the terms and conditions set out herein.
- D. The Bank has agreed to do the foregoing solely on the basis that the Obligors strictly comply with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises, covenants and agreements set out herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties covenant and agree as follows:

1. **Interpretation.** All capitalized terms used herein that are not otherwise defined shall have the meanings set out in the Forbearance Agreement.
2. **Acknowledgement of Indebtedness, Guarantees and Security.**
 - 2.1. Each of the Obligors hereby acknowledges, confirms and agrees that:
 - (a) it is liable to the Bank in respect of the Loans pursuant to the Credit Agreement, plus interest thereon and costs which continue to accrue at the rates set out in the Credit Agreement (collectively, the “**Indebtedness**”); and
 - (b) all terms, conditions, covenants and agreements set out in the Credit Agreement and Forbearance Agreement, except as they may be amended by this Agreement, remain in full force and effect.
 - 2.2. Each of the Guarantors hereby acknowledges, confirms and agrees that the Guarantees to which it is party are valid and enforceable in accordance with their terms and shall remain in full force and effect for the benefit of the Bank following the execution of this Agreement.
 - 2.3. Each of the Obligors hereby acknowledges, confirms and agrees that the Security to which it is party is valid and enforceable and constitutes security for all of the Indebtedness and that the Security shall remain in full force and effect for the benefit of the Bank following the execution of this Agreement.
 - 2.4. Each of the Obligors hereby acknowledges, confirms and agrees that, but for this Agreement, the Bank would be entitled to immediately enforce on the Security and the Guarantees (subject to the terms and conditions set out herein).
3. **Amendments to Forbearance Agreement**
 - 3.1. The Forbearance Termination Date under the Forbearance Agreement is hereby extended to **May 31, 2024**, and accordingly Section 3.1 of the Forbearance Agreement is hereby amended by deleting the reference to “April 30, 2024” and replacing it with “May 31, 2024”.

- 3.2. For greater certainty, the Temporary Support Credit is no longer available to the Borrower, and the Borrower may only borrow under the Operating Facility up to the credit limit of \$300,000 pursuant to the terms and condition of the Credit Agreement.
- 3.3. The mandatory curtailment payment of outstanding principal on the RV Facilities required under the Credit Agreement for the month of April 2024 are hereby be waived, and Section 4.1(c) of the Forbearance Agreement is hereby deleted in its entirety and replaced with the following:
- “(c) waive the mandatory curtailment payments of outstanding principal on the RV Facilities required under the Credit Agreement for the months of January 2024 (approximately \$261,000), February 2024 (approximately \$365,000), March 2024 (approximately \$291,000), and April 2024 (approximately \$307,000); provided that for greater certainty, the Borrower must nonetheless pay or perform all other obligations as and when due under the Credit Agreement, including without limitation, pay all interest and mandatory monthly payments on the Term Loans.”
- 3.4. The deadline to payout all outstanding balances with respect to the financed inventory described in Schedule “B” of the Forbearance Agreement is hereby extended to **May 31, 2024**, and Section 7.4(c)(iii) is hereby amended by deleting the reference to “April 30, 2024” and replacing it with “May 31, 2024”.

4. **Conditions, Deliverables, and Covenants**

- 4.1. Notwithstanding any other provision of this Agreement, the effectiveness of this Agreement is subject to and conditional on the fulfilment of the following:
- (a) the Bank shall have received this Agreement, duly executed and delivered by each of the Obligors;
 - (b) the Obligors shall have paid all fees and expenses incurred by the Bank in connection with this Agreement up to the Effective Date (including without limitation, all legal expenses on a solicitor and own client basis, which for reference are estimated to be approximately **\$12,500** plus taxes and disbursements);
 - (c) the Borrower shall have paid to the Bank a forbearance extension fee in the amount of **\$1,500**, which the Borrower hereby acknowledges is fully-earned and payable as of the Effective Date; and
 - (d) the Bank shall have received from the Obligors such other agreements, documents, or instruments are reasonably necessary in the view of it or its legal counsel in connection with this Agreement.
- 4.2. Each of the Obligors hereby acknowledges, confirms and agrees to:
- (a) deliver or cause to be delivered to the Bank, by no later than **May 17, 2024**, copies of the review engagement financial statements of each of the Borrower and 1390951, as well as the combined financial statements for the Borrower and 1390951 prepared on a compilation basis, for the fiscal year ending December 31, 2023; and
 - (b) reimburse and indemnify the Bank for all professional fees and expenses of the Bank and to pay all additional professional fees and expenses incurred by the Bank for legal or other

professional services (on a solicitor and own client basis), including payment of the fees which the Bank incurs as a result of the preparation or implementation of this Agreement.

5. Weekly Progress Report Regarding Refinancing

- 5.1. In addition to the reporting requirements set out in Section 8.1 of the Forbearance Agreement or set out in the Credit Agreement, the Obligors shall deliver to the Bank on a weekly basis an update on the status of its refinancing efforts (for both the Borrower and 1390951) with Canadian Imperial Bank of Commerce and Northpoint Commercial Finance, and shall provide to the Bank copies of all draft or final term sheets, loan agreement, commitment letters, and other definitive agreements in connection with such refinancing upon receipt.

6. General Provisions

- 6.1. Time shall be of the essence of this Agreement.
- 6.2. This Agreement is binding upon and will enure to the benefit of the Bank, the Obligors, and their respective heirs, executors, administrators, successors and assigns.
- 6.3. Should any provision of this Agreement be declared or held invalid or unenforceable by a court of competent jurisdiction, then such invalidity or unenforceability will not affect the validity or enforceability of any or all of the remaining provisions of this Agreement which will continue in full force and effect and be construed as if this Agreement had been executed without the invalid and unenforceable provision.
- 6.4. **Each of the Obligors acknowledges and confirms that it has received independent legal advice with respect to the execution of this Agreement and all related documentation, and confirms that it is entering into this Agreement on its own free will without any coercion or duress having been imposed upon it by the Bank or any other party.**
- 6.5. The Obligors will each execute such other and further documents and assurances as may be necessary or will do such other acts and things as may be required in order to carry out the transactions contemplated by this Agreement.
- 6.6. 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.
- 6.7. This Agreement may be executed in any number of counterparts and delivered by way of facsimile, email or other mode of electronic delivery (including in Portable Document Format), and each of which when delivered shall be deemed to be an original and all of which together shall constitute one and the same document.
- 6.8. This Agreement is supplemental to and amends the Forbearance Agreement, and is supplemental to the Credit Agreement, the Guarantees and the Security. The Forbearance Agreement, Credit Agreement, the Guarantees and the Security, as supplemented, waived or amended (as applicable) by this Agreement, remain in full force and effect (as amended, in the case of the Forbearance Agreement) and are hereby ratified and confirmed. The provisions of the Forbearance Agreement (as amended hereby) are in addition to, and not (except to the extent they expressly amend the same) in substitution for the provisions of the Credit Agreement, the Guarantees and the Security. In an event of any conflict between the terms of the Credit Agreement and the terms of the Forbearance

Agreement (as amended hereby), the provisions of the Forbearance Agreement (as amended hereby) shall govern to the extent necessary to remove the conflict.

[Signature page follow – remainder of page is intentionally blank]

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

BANK

ROYAL BANK OF CANADA,
by its authorized signatory:

Per: 

Name: Mark Kemp-See

Title: SLAs Senior Manager

BORROWER

**VERNON RECREATIONAL PRODUCTS (VRP)
SALES AND SERVICE LTD.,**
by its authorized signatory:

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

GUARANTORS

1390951 B.C. LTD.,
by its authorized signatory:

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

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

BANK

ROYAL BANK OF CANADA,
by its authorized signatory:

Per:

Name:

Title:

BORROWER

VERNON RECREATIONAL PRODUCTS (VRP)
SALES AND SERVICE LTD.,
by its authorized signatory:

Per:

Name: Murray Sullivan

Title: President

Per:

Name: DOUGLAS THIBAUT

Title: DIRECTOR

GUARANTORS

1390951 B.C. LTD.,
by its authorized signatory:

Per:


Name: LEONARD V. BOURGEOIS

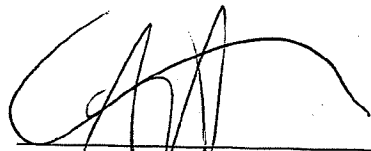
Title: SEE.

Per:

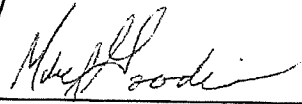
Name: Murray Sullivan


Title: President



WITNESS


DOUGLAS THIBAUT


WITNESS


MICHAEL GOODWIN


WITNESS


MURRAY B. SULLIVAN

This is **Exhibit "Y"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia



1. Application

Document Fees: \$156.34

Borden Ladner Gervais LLP
1200 - 200 Burrard Street
Vancouver, BC V7X 1T2
604-687-5744

2. Description of Land

PID/Plan Number	Legal Description
004-768-981	LOT 2 SECTIONS 11 AND 14 TOWNSHIP 8 OSOYOOS DIVISION YALE DISTRICT PLAN 27607 EXCEPT PLAN H16713
005-446-937	LOT 6 SECTION 11 TOWNSHIP 8 OSOYOOS DIVISION YALE DISTRICT PLAN 25512
017-856-515	LOT A SECTION 14 TOWNSHIP 8 OSOYOOS DIVISION YALE DISTRICT PLAN KAP47732

3. Borrower(s) (Mortgagor(s))

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. BC1286235
657 COOPER PLACE
KAMLOOPS, BC V2B 8R8

4. Lender(s) (Mortgagee(s))

ROYAL BANK OF CANADA
1055 WEST GEORGIA STREET
VANCOUVER, BC V6E 3S5

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
\$1,000,000.00	Prime Rate plus 5% per annum	N/A
Interest Calculation Period	Payment Dates	First Payment Date
Monthly, not in advance	ON DEMAND	N/A
Amount of each periodic payment	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
N/A	N/A % per annum	N/A
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes	POSTAL ADDRESS IN ITEM 4	ON DEMAND
If yes, page and paragraph number: Page 6, Paragraph 12 of SMT900186		



6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

Yes

8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

(b) Filed Standard Mortgage Terms

D F Number: **MT900186**

A selection of (a) or (b) includes any additional or modified terms.

10. Additional or Modified Terms

This mortgage is granted for valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Mortgagor) as general and continuing collateral security for payment and satisfaction of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, of whatsoever nature and kind and howsoever arising, at any time and from time to time owing or payable by the Mortgagor to the Mortgagee, all as may be more fully set forth in the Filed Standard Mortgage Terms (referred to in Item 9 of Form B) which form part of this Mortgage and Defeasance Option #3 under Section 3 of the said Filed Standard Mortgage Terms applies to this Mortgage, and in interpreting this Mortgage, Section entitled "Advances" of the said Filed Standard Mortgage Terms shall be read subject to the following:

NOTICE IS HEREBY GIVEN to every person dealing with the title to the Mortgaged Land that the liabilities secured by this Mortgage include, without limiting the generality of any other provisions hereof, the liabilities of the Mortgagor to the Mortgagee with respect to any bankers' acceptances from time to time issued by the Mortgagor and accepted by the Mortgagee and with respect to any letters of credit or letters of guarantee from time to time issued by the Mortgagee at the request of the Mortgagor and that advances by the Mortgagee not exceeding from time to time the aggregate amount referred to herein are contemplated and secured by this Mortgage and that with respect to any such bankers' acceptances and any such letters of credit or letters of guarantee, the Mortgagee is hereby and thereby required, subject to the defences available to any obligant thereunder, from the date of acceptance of each such bankers' acceptance and from the date of issuance of each such letter of credit or letter of guarantee, to make the advances contemplated therein in accordance with the terms thereof.

The following shall be added immediately following Section 8 of the Filed Standard Mortgage Terms:

"8A. PROHIBITIONS

Without the prior written consent of the Mortgagee, the Mortgagor shall not and shall not have the power to:

- (a) grant, create or permit to be created any mortgage, charge or security interest in, encumbrances or lien over, or claim against the Mortgaged Land or any part thereof which ranks or could in any event rank in priority to or *pari passu* with the charge of this Mortgage; or
- (b) issue or have outstanding at any time any secured or unsecured bonds, debentures, debenture stock or other evidences of indebtedness of the Mortgagor or of any predecessor in title of the Mortgagor issued under a trust deed or other instrument running in favour of a trustee."

The following shall be added immediately following Section entitled "Additional Acceleration Provisions" of the said Filed Standard Mortgage Terms:

IMMEDIATE PAYMENT AND PREPAYMENT

The Mortgagee may exercise its rights and remedies hereunder immediately upon default, and the Mortgagor hereby confirms that except as may be expressly otherwise provided herein or in any other written agreement between the Mortgagor and the Mortgagee contemplating the granting of this Mortgage, the Mortgagee has not given any covenant, express or implied, and is under no obligation to allow the Mortgagor any period of time to remedy any default prior to the Mortgagee exercising its rights and remedies hereunder.

Any right or option contained in the said Filed Standard Mortgage Terms to prepay or repay prior to the date of final payment hereunder the whole balance or any portion of the principal monies remaining unpaid hereunder may only be exercised in the absence of any agreement to the contrary with respect to all or any portion of the debts, liabilities and obligations from time to time secured hereby.



11. Prior Encumbrances Permitted by Lender

As to all PID's:

Mortgage CA8842618 in favour of Royal Bank of Canada

Assignment of Rents CA8842619 in favour of Royal Bank of Canada

RE: PID: 004-768-981

Undersurface Rights 31229E in favour of The Director of Soldier Settlement

RE: PID: 005-446-937

Legal Notation:

This title may be affected by a Permit under Part 29 of the Municipal Act, see KK101775

Charges, Liens and Interest:

Undersurface Rights 31229E in favour of The Director of Soldier Settlement

RE: PID: 017-856-515

Legal Notations:

Hereto is annexed Easement KF46352 over that part of Lot 1 Plan KAP47190 as shown on Plan KAP47191

This title may be affected by a Permit under Part 29 of the Municipal Act (see DF KF79434)

This title may be affected by a Permit under Part 29 of the Municipal Act see KF113465

Charges, Liens and Interest:

Undersurface Rights 31229E in favour of The Director of Soldier Settlement

Covenant KF46348 in favour of Her Majesty the Queen in Right of the Province of British Columbia

Easement KF46353

Covenant KF72194 in favour of Her Majesty the Queen in Right of the Province of British Columbia

Statutory Right of Way KG46769 in favour of British Columbia Hydro and Power Authority

Statutory Right of Way KG46770 in favour of BC Tel

12. Execution(s)

This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in Item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

Morgan R. Elander
Barrister & Solicitor
 #300-272 Victoria Street
 Kamloops BC V2C 2A2

YYYY-MM-DD

2024-02-01

VERNON RECREATIONAL PRODUCTS
(VRP) SALES AND SERVICE LTD.
 By their Authorized Signatory

Douglas Thibault

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.



Electronic Signature

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

**Ryan Michael
Laity DEZQ6W**

Digitally signed by
Ryan Michael Laity DEZQ6W
Date: 2024-02-02
12:47:50 -08:00

1. Application

Borden Ladner Gervais LLP
1200 - 200 Burrard Street
Vancouver, BC V7X 1T2
604-687-5744

2. Description of Land

PID/Plan Number	Legal Description
004-768-981	LOT 2 SECTIONS 11 AND 14 TOWNSHIP 8 OSOYOOS DIVISION YALE DISTRICT PLAN 27607 EXCEPT PLAN H16713
005-446-937	LOT 6 SECTION 11 TOWNSHIP 8 OSOYOOS DIVISION YALE DISTRICT PLAN 25512
017-856-515	LOT A SECTION 14 TOWNSHIP 8 OSOYOOS DIVISION YALE DISTRICT PLAN KAP47732

3. Borrower(s) (Mortgagor(s))

VERNON RECREATIONAL PRODUCTS (VRP) SALES AND SERVICE LTD. BC1286235
 657 COOPER PLACE
 KAMLOOPS, BC V2B 8R8

4. Lender(s) (Mortgagee(s))

ROYAL BANK OF CANADA
 1055 WEST GEORGIA STREET
 VANCOUVER, BC V6E 3S5

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
\$1,000,000.00	Prime Rate plus 5% per annum	N/A
Interest Calculation Period	Payment Dates	First Payment Date
Monthly, not in advance	ON DEMAND	N/A
Amount of each periodic payment	Interest Act (Canada) Statement: The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
N/A	N/A % per annum	N/A
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes	POSTAL ADDRESS IN ITEM 4	ON DEMAND
If yes, page and paragraph number:		
Page 6, Paragraph 12 of SMT900186		

6. Mortgage contains floating charge on land?
No

7. Mortgage secures a current or running account?
Yes

8. Interest Mortgaged
Fee Simple

9. Mortgage Terms
Part 2 of this mortgage consists of:
(b) Filed Standard Mortgage Terms D F Number: **MT900186**
A selection of (a) or (b) Includes any additional or modified terms.

10. Additional or Modified Terms

This mortgage is granted for valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Mortgagor) as general and continuing collateral security for payment and satisfaction of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, of whatsoever nature and kind and howsoever arising, at any time and from time to time owing or payable by the Mortgagor to the Mortgagee, all as may be more fully set forth in the Filed Standard Mortgage Terms (referred to in Item 9 of Form B) which form part of this Mortgage and Defeasance Option #3 under Section 3 of the said Filed Standard Mortgage Terms applies to this Mortgage, and in interpreting this Mortgage, Section entitled "Advances" of the said Filed Standard Mortgage Terms shall be read subject to the following:

NOTICE IS HEREBY GIVEN to every person dealing with the title to the Mortgaged Land that the liabilities secured by this Mortgage include, without limiting the generality of any other provisions hereof, the liabilities of the Mortgagor to the Mortgagee with respect to any bankers' acceptances from time to time issued by the Mortgagor and accepted by the Mortgagee and with respect to any letters of credit or letters of guarantee from time to time issued by the Mortgagee at the request of the Mortgagor and that advances by the Mortgagee not exceeding from time to time the aggregate amount referred to herein are contemplated and secured by this Mortgage and that with respect to any such bankers' acceptances and any such letters of credit or letters of guarantee, the Mortgagee is hereby and thereby required, subject to the defences available to any obligant thereunder, from the date of acceptance of each such bankers' acceptance and from the date of issuance of each such letter of credit or letter of guarantee, to make the advances contemplated therein in accordance with the terms thereof.

The following shall be added immediately following Section 8 of the Filed Standard Mortgage Terms:

"8A. PROHIBITIONS

Without the prior written consent of the Mortgagee, the Mortgagor shall not and shall not have the power to:

- (a) grant, create or permit to be created any mortgage, charge or security interest in, encumbrances or lien over, or claim against the Mortgaged Land or any part thereof which ranks or could in any event rank in priority to or pari passu with the charge of this Mortgage; or
- (b) issue or have outstanding at any time any secured or unsecured bonds, debentures, debenture stock or other evidences of indebtedness of the Mortgagor or of any predecessor in title of the Mortgagor issued under a trust deed or other instrument running in favour of a trustee."

The following shall be added immediately following Section entitled "Additional Acceleration Provisions" of the said Filed Standard Mortgage Terms:

IMMEDIATE PAYMENT AND PREPAYMENT

The Mortgagee may exercise its rights and remedies hereunder immediately upon default, and the Mortgagor hereby confirms that except as may be expressly otherwise provided herein or in any other written agreement between the Mortgagor and the Mortgagee contemplating the granting of this Mortgage, the Mortgagee has not given any covenant, express or implied, and is under no obligation to allow the Mortgagor any period of time to remedy any default prior to the Mortgagee exercising its rights and remedies hereunder.

Any right or option contained in the said Filed Standard Mortgage Terms to prepay or repay prior to the date of final payment hereunder the whole balance or any portion of the principal monies remaining unpaid hereunder may only be exercised in the absence of any agreement to the contrary with respect to all or any portion of the debts, liabilities and obligations from time to time secured hereby.



11. Prior Encumbrances Permitted by Lender

As to all PID's:

Mortgage CA8842618 in favour of Royal Bank of Canada

Assignment of Rents CA8842619 in favour of Royal Bank of Canada

RE: PID: 004-768-981

Undersurface Rights 31229E in favour of The Director of Soldier Settlement

RE: PID: 005-446-937

Legal Notation:

This title may be affected by a Permit under Part 29 of the Municipal Act, see KK101775

Charges, Liens and Interest:

Undersurface Rights 31229E in favour of The Director of Soldier Settlement

RE: PID: 017-856-515

Legal Notations:

Hereto is annexed Easement KF46352 over that part of Lot 1 Plan KAP47190 as shown on Plan KAP47191

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This title may be affected by a Permit under Part 29 of the Municipal Act see KF113465

Charges, Liens and Interest:

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Covenant KF46348 in favour of Her Majesty the Queen in Right of the Province of British Columbia

Easement KF46353

Covenant KF72194 in favour of Her Majesty the Queen in Right of the Province of British Columbia

Statutory Right of Way KG46769 in favour of British Columbia Hydro and Power Authority

Statutory Right of Way KG46770 in favour of BC Tel

12. Execution(s)

This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in Item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

MORGAN R. ELANDER
 Barrister & Solicitor
 #300-272 Victoria Street
 Kamloops, BC V2C 2A2

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

YYYY-MM-DD

2024-02-01

**VERNON RECREATIONAL PRODUCTS
 (VRP) SALES AND SERVICE LTD.**


By their Authorized Signatory



Electronic Signature

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

This is **Exhibit "Z"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024.



A Commissioner for taking Affidavits
for British Columbia

CONSENT AND WAIVER

THE UNDERSIGNED hereby pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act* waives the ten-day period of notice required under Section 244 of the *Bankruptcy and Insolvency Act* (see extract below) and consents to the immediate enforcement by Royal Bank of Canada of the Security referred to in the Section 244 Notice dated January 31, 2024.

DATED at Ramloops, British Columbia, on February 1 2024, at ___ a.m./p.m.

VERNON RECREATIONAL PRODUCTS
(VRP) SALES AND SERVICES LTD.

Per: 

Douglas Thibault

Extract from the Bankruptcy and Insolvency Act

Section 244. Advance Notice

- (1) A secured creditor who intends to enforce a security on all or substantially all of
 - (a) the inventory,
 - (b) the accounts receivable, or
 - (c) the other property
 of an insolvent person that was acquired for, or is used in relation to a business carried on by the insolvent person shall send to that insolvent person, in the prescribed form and manner, a notice of that intention.
- (2) Period of Notice. - Where a notice is required to be sent under subsection (1), the secured creditor shall not enforce the security in respect of which the notice is required until the expiry of ten days after sending that notice, unless the insolvent person consents to an earlier enforcement of the security.
- (2.1) No advance consent. - [For the] purposes of subsection (2), consent to earlier enforcement of a security may not be obtained by a secured creditor prior to the sending of the notice referred to in subsection (1).
- (3) Exception. - This section does not apply, or ceases to apply in respect of a secured creditor
 - (a) whose right to realize or otherwise deal with his security is protected by subsection 69.1(5) or (6); or
 - (b) in respect of whom a stay under sections 69 to 69.2 has been lifted pursuant to Section 69.4.
- (4) Idem. - This Section does not apply where there is a receiver in respect of the insolvent person.

CONSENT AND WAIVER

THE UNDERSIGNED hereby pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act* waives the ten-day period of notice required under Section 244 of the *Bankruptcy and Insolvency Act* (see extract below) and consents to the immediate enforcement by Royal Bank of Canada referred to in the Section 244 Notice dated January 31, 2024.

DATED at VERNON, British Columbia, on FEBRUARY 2 2024, at 10 a.m./p.m.

1390951 B.C. LTD.

Per: 

Extract from the Bankruptcy and Insolvency Act

Section 244. Advance Notice

- (1) A secured creditor who intends to enforce a security on all or substantially all of
 - (a) the inventory,
 - (b) the accounts receivable, or
 - (c) the other property
 of an insolvent person that was acquired for, or is used in relation to a business carried on by the insolvent person shall send to that insolvent person, in the prescribed form and manner, a notice of that intention.
- (2) Period of Notice. - Where a notice is required to be sent under subsection (1), the secured creditor shall not enforce the security in respect of which the notice is required until the expiry of ten days after sending that notice, unless the insolvent person consents to an earlier enforcement of the security.
- (2.1) No advance consent. - [For the] purposes of subsection (2), consent to earlier enforcement of a security may not be obtained by a secured creditor prior to the sending of the notice referred to in subsection (1).
- (3) Exception. - This section does not apply, or ceases to apply in respect of a secured creditor
 - (a) whose right to realize or otherwise deal with his security is protected by subsection 69.1(5) or (6); or
 - (b) in respect of whom a stay under sections 69 to 69.2 has been lifted pursuant to Section 69.4.
- (4) Idem. - This Section does not apply where there is a receiver in respect of the insolvent person.

This is **Exhibit "AA"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

GUARANTEE AND POSTPONEMENT OF CLAIM

TO: ROYAL BANK OF CANADA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "**Bank**"), of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by 1390951 B.C. LTD. (hereinafter called the "**Customer**") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "**Liabilities**"); together with interest thereon from the date of demand for payment at a rate equal to the **Bank's Prime Interest Rate in effect from time to time plus five (5%) percent** per annum as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the Customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement,

and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted

on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the **Province of BRITISH COLUMBIA** (the "Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(Applicable in all
P.P.S.A.
Provinces
except Ontario).

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

(19) If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Guarantee and Postponement of Claim (in Quebec, Suretyship and Subordination of Claims) it is necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due hereunder in any currency other than the Judgment Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgment Currency in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the undersigned will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Guarantee in such other currency together with interest at Prime Interest Rate and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the undersigned under this section will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Guarantee.

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be in the City of Toronto, a legal holiday or a day on which banking institutions are closed and, with respect to a Libor Loan, "Business Day" means a day with the foregoing characteristics which is also a day on which dealings in U.S. Dollar deposit by and between leading banks in the London interbank market may be conducted.


Executed at Kamloops this February 7th, 2023
(month) (day) (year)

VERNON RECREATIONAL PRODUCTS (VRP)
SALES AND SERVICE LTD.

Per:

Name:

Title:


DOUGLAS ROBERT THIBAUT
DIRECTOR

(To be completed when the guarantee is stated to be governed by the laws of the Province of Alberta, the loan is repayable in Alberta, the guarantee is executed in Alberta, the Customer carries on business in Alberta, or the guarantor is resident or owns assets in Alberta.)

(To be completed only where the guarantor is not a corporation)

GUARANTEES ACKNOWLEDGMENT ACT (Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:

- 1 _____, the guarantor in the guarantee dated the _____ day of _____, 2023 made between Royal Bank of Canada and _____, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.
- 2 I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by _____ (print name), Barrister and Solicitor at the _____ of _____, in the Province of Alberta, this _____ day of _____, 2023.

SIGNATURE

STATEMENT OF GUARANTOR

I am the person named in this certificate.

Signature of Guarantor

LAWYER CERTIFICATION

I, _____ the aforesaid Barrister and Solicitor certify that:
(print name)

- (a) the aforesaid guarantor signed the Statement of Guarantor in my presence; and
- (b) the acknowledgement to which the above Certificate refers was either:
 - (i) made in Alberta, and I am an active member of The Law Society of Alberta, other than an honorary member, who has not been suspended;
 - or
 - (ii) made in a jurisdiction other than Alberta, namely _____, and I am a lawyer entitled to practice law in that jurisdiction.

Dated the _____ day of _____, 2023.

Signature of Barrister and Solicitor

(To be completed when the guarantor is an individual and the guarantee is stated to be governed by the laws of Saskatchewan and the Customer is a farmer, farm corporation or farm partnership in Saskatchewan or engages in a farming operation or owns farm assets in Saskatchewan.)

THE SASKATCHEWAN FARM SECURITY ACT ACKNOWLEDGEMENT OF GUARANTEE

(SECTION 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

(1) _____ of _____ in the Province of _____, the guarantor in the guarantee dated _____ made between ROYAL BANK OF CANADA and _____, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;

(2) I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

(3) I have not prepared any documents on behalf of the creditor, Royal Bank of Canada, relating to the transaction and I am not otherwise interested in the transaction;

(4) I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

Given at _____ this _____ under my hand and seal of office

(SEAL REQUIRED WHERE NOTARY
PUBLIC SIGNS CERTIFICATE)

A LAWYER OR A NOTARY PUBLIC IN AND FOR


Witness

STATEMENT OF GUARANTOR

I am the person named in the certificate

Signature of Guarantor

This is **Exhibit "BB"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia



RBC
Royal Bank

June 11, 2024

DELIVERED BY EMAIL [melander@cfselaw.ca]

Vernon Recreational Products (VRP) Sales and Service Ltd.

1390951 B.C. Ltd.

Douglas Thibault

Michael Goodwin

Murray B. Sullivan

c/o Cates Ford Soll & Epp LLP

834 Shuswap Avenue #4

Chase, B.C., V0E 1M0

Attention: Morgan Elander

RE: Notice of Default and Reservation of Rights

Dear Sirs/Mesdames:

We refer to the Credit Agreement dated February 9, 2021, as amended by a first amendment to credit agreement dated April 26, 2021, a second amendment to credit agreement dated May 12, 2021, a third amendment to credit agreement dated July 25, 2022, a fourth amendment to credit agreement dated February 1, 2023, and a fifth amendment to credit agreement dated May 9, 2023 (collectively, and as may be further amended, revised, restated, replaced or modified from time to time, the "**Credit Agreement**"), between Vernon Recreational Products (VRP) Sales and Services Ltd. (the "**Borrower**"), as borrower, and Royal Bank of Canada (the "**Bank**"), as lender. The obligations of the Borrower to the Bank under the Credit Agreement are guaranteed by each of 1390951 B.C. Ltd., Douglas Thibault, Michael Goodwin, and Murray B. Sullivan (collectively, the "**Guarantors**").

Due to certain on-going defaults under the Credit Agreement, the Borrower, the Guarantors and the Bank entered into a forbearance agreement dated January 31, 2024, as amended by a first amendment to the forbearance agreement dated May 13, 2024 (collectively, and as may be further amended, revised restated, replaced or modified from time to time, the "**Forbearance Agreement**"), whereby the Bank agreed to forbear from enforcing on the loans advanced in connection with the Credit Agreement (collectively, the "**Loans**") and the guarantees and security granted in connection therewith, on the basis that the Borrower and the Guarantors strictly comply with the terms and conditions of the Forbearance Agreement. The term of the Forbearance Agreement, as amended, ended on May 31, 2024.

We write today to draw your urgent attention to the fact that the Borrower has been, and continues to be, in default under certain terms and conditions of the Forbearance Agreement – notably, by failing or neglecting to repay the Loans in full by May 31, 2024 (the "**Payment Default**").

In addition to the Payment Default, mandatory curtailment payments due under the RV Facilities (as defined in the Forbearance Agreement) were automatically withdrawn by the Bank on June 3, 2024. This withdrawal was unfunded, and resulted in an excess draw on the Operating Facility (as defined in the Credit

Agreement) of approximately \$206,000. As an accommodation to the Borrower, and to rectify this excess borrowing under the Operating Facility, the Bank returned to the Borrower a portion of the mandatory June 2024 curtailment payments. Payment of such amounts are still due and owing and constitute an additional default under the Credit Agreement and Forbearance Agreement (the "**Curtailment Default**", together with the Payment Default, the "**Forbearance Defaults**"). As a result of the Curtailment Default, the Bank is not prepared to provide any further advances to the Borrower under the RV Facilities.

Notwithstanding the above, the Bank is willing to continue forbearing from enforcing on the Loans and any guarantees or security granted under the Credit Agreement or the Forbearance Agreement, on a temporary and discretionary basis, provided that the Borrower agrees to the following conditions:

1. the Borrower and Guarantors shall consent to the Bank engaging BDO Canada Limited ("**BDO**") to perform a "viability/look see" inspection of the Borrower's business and property, and the Borrower or Guarantors shall pay all invoices issued by BDO within three (3) business days following receipt of any invoice; and
2. the Borrower or Guarantors shall pay all invoices of the Bank's legal counsel to date within three (3) business days following receipt of an invoice.

The Bank hereby reserves all rights and remedies with respect to the Forbearance Defaults listed above and pursuant to the Forbearance Agreement or Credit Agreement, and this letter shall not constitute a waiver of any such Forbearance Default or any other default or breach that may be existing. The Bank further reserves any and all rights and remedies available to it under the Credit Agreement, the Forbearance Agreement, any guarantees or security, the consents and waiver pursuant to section 244(2) of the *Bankruptcy and Insolvency Act* (Canada) executed by the Borrower on February 1, 2024 and by 1390951 B.C. Ltd. on February 2, 2024, and under applicable law. No covenant waiver shall be effective unless in writing and signed by the Bank, and in that case such waiver shall be effective only in the specific instance(s) and for the specific purpose(s) for which it is given.

Please contact the undersigned as soon as possible to discuss these matters.

Yours truly,

ROYAL BANK OF CANADA,

by its authorized signatory:

Per:



Name: Mark Kemp-Gee

Title: Senior Manager - SLAS

Acknowledged and agreed as of this ____ day of _____, 2024.

**VERNON RECREATIONAL PRODUCTS (VRP) SALES
AND SERVICE LTD.,**
by its authorized signatory:

Per:

Name:
Title:

Per:

Name:
Title:

1390951 B.C. LTD.,
by its authorized signatory:

Per:

Name:
Title:

WITNESS

DOUGLAS THIBAUT


WITNESS

MICHAEL GOODWIN

WITNESS

MURRAY B. SULLIVAN

This is **Exhibit "CC"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

DEALER FINANCIAL STATEMENT

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MIKE ROSMAN RV SALES				CITY	VERNON	PROV	BC
FROM	5/1/2024	TO	5/31/2024				

BALANCE SHEET

ASSETS				LIABILITIES AND NET WORTH			
NT ASSETS				1	CURRENT LIABILITIES		
SH ON HAND	100-102		2,341	2	ACCOUNTS PAYABLE	330	641,845
SH IN BANK	108-109		-31,154	3			10,000
SH ON DEPOSIT	370			4	NOTES / DIVIDENDS PAYABLE	340	
NT RACTS IN TRANSIT	116			5	VEHICLE LIEN PAYOFF	300L	
TOTAL CASH AND EQUIVALENT (LINES 2-5)			-28,813	6	VEHICLE PROTECTION / EXTENDED WARRANTY	300P 300DV	
TABLES:				7			
RV AND PARTS AR	120		4,120	8			
ARRANTY AR	122		19,280	9	TOTAL ACCOUNTS & NOTES PAYABLE (LINES 2-8)		651,845
ICLE AR	115			10	ACCRUED EXPENSES:		
HER RECEIVABLES				11	WAGES PAYABLE	315-325	2,870
				12	ACCRUED VACATION	367	20,182
				13	ACCRUED EXPENSES:	368	21,243
				14	TAXES - PAYROLL	362	
				15	GST	364 110	23,255
				16	PST	353 11	37,035
				17	TIRE TAX	363	
				18	BENEFITS PAYABLE	367	216
				19	ECG FEE	310	12
				20	TOTAL ACCRUED EXPENSES (LINES 11-19)		104,814
				21	FLOOR PLAN LIABILITY:		
T RECEIVABLES (LINES 8 THRU 11 + 20 - 21)			23,427	22	NEW INVENTORY	431N	1,747,330
				23	USED INVENTORY	431U	386,939
TOTAL RECEIVABLES (LINES 8 THRU 11 + 20 - 21)			23,427	24			
ENTORIES:				25			
				26	TOTAL FLOOR PLAN LIABILITY (LINES 20-24)		2,134,272
W TRAVEL TRAILER	125TT			27	TOTAL CURRENT LIABILITIES (LINES 2-25)		2,890,731
W TRUCK CAMPER	125TC			28			
W FIFTH WHEEL	125FW			29	WORKING CAPITAL		
				30	GUIDE - \$		
				31	ACTUAL - \$	579,519	
				32	OTHER LIABILITIES:		
HER NEW	125		2,359,473	33	SECURITY DEPOSITS - LEASE VEHICLE		
AL NEW VEH. (LINES 31 THRU 32)			2,359,473	34	RESERVE FOR REPOSESSION LOSSES		
SERVE FOR INVENTORY WRITE-DOWN				35	RESERVE FOR INVENTORY WRITE-DOWNS	36V	
ED TRAVEL TRAILERS	128TT			36	LEASE/RENTAL VEHICLES		
ED TRUCK CAMPERS	128TC			37	CCMPANY CARS & SERVICE VEHICLES		
ED FIFTH WHEEL	128FW			38	TOTAL OTHER LIABILITIES (LINES 31-35)		
HER	128		793,652	39	LONG TERM DEBT:		
ITAL USED			793,652	40	NOTES PAYABLE - CAPITAL LOANS		
RTS & ACCESS	127		252,055	41	SUBORDINATED NOTES		
				42	MORTGAGES PAYABLE	450-453	2,208,557
SS: INVENTORY ADJUSTMENT - PART & ACCESS				43	SHAREHOLDER LOAN	50	2,050,189
HER AUTC				44	TOTAL LONG TERM DEBT (LINES 39-43)		4,884,748
OR IN PROCESS MECHANICAL	130		11,801	45	TOTAL LIABILITIES (LINES 26-44)		7,755,477
IBLET REPAIRS	1303		1,088	46	NET WORTH:		
ITAL P&A & MISC INVTY. (LINES 39 THRU 47)			284,844	47	CAPITAL STOCK		20
				48	ADDITIONAL PAID IN CAPITAL		
				49	RETAINED EARNINGS	500	916,011
ITAL INVENTORIES (LINES 33-34 + 36 + 47 + 48 + 49)			3,418,069	50	DIVIDENDS		
REPAID EXPENSES	160		67,567	51	INVESTMENTS (PROPRIETOR OR PARTNERS)		
CURRENT ASSETS (LINES 6 + 24 + 50 + 51 + 52)			3,470,250	52	WITHDRAWALS		
ASSETS:				53	ADJUSTMENTS		
				54	CURRENT EARNINGS BEFORE TAXES		
				55	NEW		
				56	COACH		
				57	J		
				58	F		
				59	M		
				60	A		
				61	M		
				62	J		
				63	J		
				64	A		
BDGS. & EQUIPT. (AUTO BUSINESS ONLY)				65	S		
ND	3,220,000	200	3,220,000	66	O		
ODWILL	432,119	190 200	432,119	67	N		
ILDING	1,113,887	202 222	905,698	68	D		
UIPMENT	40,881	-18,484 210 230	24,297	69	TOT		
ONS	25,001	-10,520 214 234	14,481	70	ESTIMATED INCOME TAX		
HCLES		215 235		71	NET EARNINGS (LINES 58 MINUS 69)	299	-329,405
	219,080		219,080	72	TOTAL NET WORTH (LINES 46 THRU 71)		587,528
TOTAL AVAILABLE BUDGETS & EQUIPT. (LINE 64-70)			4,872,753	73	TOTAL LIABILITIES AND NET WORTH (LINES 26-71)		8,343,005
TOTAL ASSETS (LINES 33-34 + 36 + 47 + 48 + 49)			8,343,005				

SIGNATURE

DATE

This is **Exhibit "DD"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024

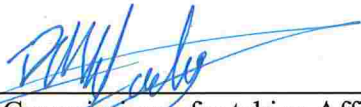
A handwritten signature in blue ink, appearing to read 'M. J. Fairley', is written over a horizontal line.

A Commissioner for taking Affidavits
for British Columbia

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DATE _____

This is **Exhibit "EE"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

DEALER FINANCIAL STATEMENT

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PAGE 1

DEALER	MIKE ROSMAN RV SALES			CITY	VERNON	PROV	BC
FROM	3/1/2024	TO	3/31/2024				

BALANCE SHEET

ASSETS				LIABILITIES AND NET WORTH			
CURRENT ASSETS				CURRENT LIABILITIES			
CASH ON HAND	100-102		941	2	ACCOUNTS PAYABLE	210	276,060
CASH IN BANK	105-109	-136,194	3				10,000
CASH ON DEPOSIT	370		4		NOTES / DIVIDENDS PAYABLE	310	
CONTRACTS IN TRANSIT	116		5		VEHICLE LIEN PAYOFF	300L	
TOTAL CASH AND EQUIVALENT (LINES 2 - 5)		-135,253	0		VEHICLE PROTECTION / EXTENDED WARRANTY	300P 300W	
DECEIVABLES:			7				
SERVICE AND PARTS AR	120		20,753	8			
WARRANTY AR	122		8,718	9	TOTAL ACCOUNTS & NOTES PAYABLE (LINES 2 - 9)		286,060
VEHICLE AR	115			10	ACCRUED EXPENSES:		
OTHER RECEIVABLES				11	WAGES PAYABLE	315-325	3,009
				12	ACCRUED VACATION	307	10,837
				13	ACCRUED EXPENSES:	308	37,348
				14	TAXES - PAYROLL	322	22,864
				15	GST	301-118	19,845
				16	PST	305-111	28,948
				17	TIRE TAX	303	176
				18	BENEFITS PAYABLE	307	-30
				19	ECO FEE	310	4
				20	TOTAL ACCRUED EXPENSES (LINES 11 - 19)		129,118
NET RECEIVABLES (LINES 8 THRU 11 + 20 - 21)		29,481	22	21	FLOOR PLAN LIABILITY:		
				22	NEW INVENTORY	400N	2,428,762
				23	USED INVENTORY	400U	598,658
TOTAL RECEIVABLES (LINES 22 + 23)		29,481	24				
INVENTORIES:			25				
NEW TRAVEL TRAILER	121TT		26	26	TOTAL FLOOR PLAN LIABILITY (LINES 20 - 24)		3,125,420
NEW TRUCK CAMPER	125TC		27	27	TOTAL CURRENT LIABILITIES (LINES 2 - 25)		3,540,596
NEW FIFTH WHEEL	126FW		28		WORKING CAPITAL	GUIDE - \$ 546,923 ACTUAL - \$ 546,923	
			29				
			30				
OTHER NEW	125	2,943,352	31	31	OTHER LIABILITIES:		
TOTAL NEW VEH. (LINES 27 THRU 30)		2,943,352	32	32	SECURITY DEPOSITS - LEASE VEHICLE		
RESERVE FOR INVENTORY WRITE-DOWN			33	33	RESERVE FOR REPOSSESSION LOSSES		
USED TRAVEL TRAILERS	128TT		34	34	RESERVE FOR INVENTORY WRITE-DOWNS	300W	
USED TRUCK CAMPERS	128TC		35	35	LEASE/RENTAL VEHICLES		
USED FIFTH WHEEL	128FW		36	36	COMPANY CARS & SERVICE VEHICLES		
OTHER	120	891,058	37	37	TOTAL OTHER LIABILITIES (LINES 31 - 36)		
TOTAL USED (LINES 31 THRU 36)		891,058	38	38	LONG TERM DEBT	AMOUNT DUE WITHIN 1 YR.	
PARTS & ACCESS	127	280,875	39	39	NOTES PAYABLE	400L	
			40	40	SUBORDINATED NOTES		
LESS: INVENTORY ADJUSTMENT - PART & ACCESS			41	41	MORTGAGES PAYABLE	400-403	2,500,422
OTHER ADJ.			42	42	SHAREHOLDER LOAN	400	2,438,139
LABOR IN PROCESS MECHANICAL	120	31,521	43	43	TOTAL LONG TERM DEBT (LINES 38 + 41 + 42)		4,950,611
SUBLET REPAIRS	100S	718	44	44	TOTAL LIABILITIES (LINES 26 + 38 + 43)		8,497,239
TOTAL P&A & MISC INVTY. (LINES 39 THRU 47)		313,114	45	45	NET WORTH:		
			46	46	CAPITAL STOCK		20
			47	47	ADDITIONAL PAID IN CAPITAL		
			48	48	RETAINED EARNINGS	500	698,659
			49	49	DIVIDENDS		
TOTAL INVENTORIES (LINES 32 + 34 + 36 + 45 + 46 + 49)		4,147,522	50	50	INVESTMENTS (PROPRIETOR OR PARTNERS)		
PREPAID EXPENSES	150	45,771	51	51	WITHDRAWALS		
TOTAL CURRENT ASSETS (LINES 50 + 51 + 52)		4,097,521	52	52	ADJUSTMENTS		
OTHER ASSETS:			53	53	CURRENT EARNINGS BEFORE TAXES		
			54	54			
			55	55			
			56	56			
			57	57			
			58	58			
			59	59			
			60	60			
			61	61			
			62	62			
			63	63			
			64	64			
TOTAL OTHER ASSETS (LINES 55 THRU 61)			65	65			
IND, BLDG. & EQUIPT. (AUTO BUSINESS ON-Y)			66	66			
LAND	3,220,000	3,220,000	67	67			
GOODWILL	432,119	190,200	68	68			
BUILDING	1,113,887	-141,443	69	69			
EQUIPMENT	40,881	-15,598	70	70			
SIGNS	25,001	-9,002	71	71			
VEHICLES	216,060	216,235	72	72			
			73	73			
NET VALUE OF LAND, BLDG. & EQUIPT. (LINE 64 - 70)		4,880,917	74	74			
TOTAL ASSETS (LINES 63 + 62 + 71)		8,968,438	75	75			

SIGNATURE

DATE

% of Month Complete: 100%				MIKE ROSMAN RV				Report Date: 03/01/2024				Report Month: 3				243			
		YTD																	
Summary	MTD	%	PR-VL-MTD	Variance	%	Budget	Variance	%	YTD	%	PR-VL	Variance	%	Budget	Variance	%			
SALES DEPARTMENT																			
REVENUE	405,807.33	100.00%	364,008.41	100.00%	40,001	111%	0.00	485,696	0%	1,272,154.13	100.00%	1,018,844.04	100.00%	233,330	174%	0.00	1,572,184		
COST OF SALES	586,522.52	97.74%	501,870.52	97.74%	84,651	93.05%	0.00	366,633	0%	1,193,324.22	93.05%	872,921.81	93.05%	281,120	137%	0.00	1,193,324		
COMMISSIONS	4,673.98	1.20%	10,281.14	2.81%	-5,608	47%	0.00	4,813	0%	17,268.80	1.30%	23,844.15	2.46%	-6,575	47%	0.00	17,269		
MANAGEMENT COMMISSIONS	158.85	0.04%	1,039.34	0.29%	-880	15%	0.00	159	0%	788.15	0.06%	3,016.24	0.21%	-2,228	26%	0.00	789		
GROSS PROFIT	4,233.07	1.20%	11,907.41	14.24%	-477.84	87%	0.00	4,123	0%	60,793.12	4.78%	147,771.14	14.83%	-46,860	41%	0.00	60,791		
PARTS DEPARTMENT																			
REVENUE	83,035.67	100.00%	72,123.45	100.00%	-10,912	87%	0.00	63,038	0%	100,805.97	100.00%	175,287.17	100.00%	-45,481	63%	0.00	100,806		
COST OF SALES	37,207.00	56.19%	37,283.71	51.60%	-76	100%	0.00	37,240	0%	62,349.24	33.76%	80,709.83	31.16%	-28,420	69%	0.00	62,349		
GROSS PROFIT	33,718.67	40.82%	34,839.74	43.93%	-4,122	74%	0.00	25,718	0%	47,455.33	45.24%	84,518.12	48.23%	-37,041	58%	0.00	47,457		
SERVICE DEPARTMENT																			
REVENUE	31,227.07	100.00%	51,836.29	100.00%	-20,657	63%	0.00	31,227	0%	100,461.85	100.00%	171,153.51	100.00%	-70,691	59%	0.00	100,462		
COST OF SALES	26,558.49	84.93%	42,429.52	71.82%	-10,861	73%	0.00	26,648	0%	81,589.25	81.21%	102,193.12	59.7%	-30,404	80%	0.00	81,589		
GROSS PROFIT	1,668.58	3.21%	11,454.77	82.66%	-4,786	14%	0.00	1,618	0%	18,872.60	18.79%	68,960.39	42.21%	-30,047	27%	0.00	18,873		
FINANCE DEPARTMENT																			
REVENUE	25,028.25	100.00%	64,276.93	100.00%	-39,878	84%	0.00	25,028	0%	96,564.20	100.00%	116,522.48	100.00%	-50,246	63%	0.00	96,564		
COST OF SALES	68.84	1.79%	233.00	0.43%	-229	163%	0.00	400	0%	1,382.13	1.41%	99.50	0.85%	371	127%	0.00	1,382		
GROSS PROFIT	25,228.25	96.21%	64,345.23	99.84%	-28,107	65%	0.00	25,230	0%	94,902.07	98.59%	115,517.48	98.15%	-30,518	82%	0.00	94,902		
OTHER INCOME & EXPENSE																			
Other Income	199.00		1,700.00		-1,502	12%	0.00	166	0%	1,594.00		1,699.00		-354	84%	2.00	1,594		
Other Deductions	0.00		0.00		0	0%	0.00	0	0%	8.00		6.00		0	75%	0.00	8		
GROSS PROFIT	199.00		1,700.00		-1,502	12%	0.00	166	0%	1,594.00		1,699.00		-354	84%	2.00	1,594		
Total Revenue																			
	919,734.36	100.00%	545,900.45	100.00%	-17,762	92%	0.00	917,730	0%	1,878,498.18	100.00%	1,811,847.88	100.00%	-66,650	104%	2.00	1,878,500		
Total Gross Profit	58,834.21	10.83%	156,347.17	28.31%	-87,511	73%	0.00	58,830	0%	223,304.23	14.17%	418,716.53	27.30%	-155,412	31%	0.00	223,304		
OPERATING EXPENSES																			
Accounting and Legal	5,152.51	9.06%	2,000.00	12.07%	-3,159	298%	0.00	6,169	0%	12,596.64	5.11%	8,600.00	1.42%	8,995	217%	3.00	12,596		
Advertising	6,218.62	10.51%	17,068.09	112.7%	-10,850	35%	0.00	8,213	0%	33,813.41	14.54%	43,550.37	4.40%	17,737	50%	0.00	25,813		
Associations Dues & Expense	10,225	0.22%	61.19	0.04%	122	269%	0.00	13	0%	657.75	0.02%	97.10	0.01%	956	10%	0.00	658		
Businesses Travel	919.48	1.54%	349.18	0.25%	-570	31%	0.00	919	0%	1,544.00	0.64%	2,144.67	0.64%	-1,304	56%	0.00	751		
Cash Exp	76.22	0.00%	0.98	0.00%	2	67%	0.00	2	0%	0.70	0.00%	2.25	0.00%	0	-296%	0.00	7		
Customer Service	0.00	0.00%	194.27	0.13%	-194	3%	0.00	0	0%	0.00	0.00%	17,124.11	0.4%	-17,124	0%	0.00	0		
Depreciation	4,082.00	1.17%	2,388.00	2.14%	-1,694	20%	0.00	4,082	0%	12,346.00	1.00%	2,678.00	0.26%	800	1224%	0.00	12,346		
Fuel Expense	0.00	0.00%	0.00	0.00%	0	0%	0.00	0	0%	0.00	0.00%	0.00	0.00%	0	0%	0.00	0		
Discounts	0.00	0.00%	11,152.84	7.23%	11,153	3%	0.00	0	0%	81,927	-0.64%	11,085.31	2.65%	11,002	16%	0.00	-81		
Employee Benefits	12,659.00	20.18%	14,424.03	9.35%	-1,765	64%	0.00	12,659	0%	36,660.00	16.42%	41,278.47	8.45%	-4,618	86%	0.00	36,660		
Franchise	1,134.05	1.33%	0.00	0.00%	1,134	0%	0.00	1,104	0%	3,300.00	1.47%	7,596.98	1.18%	4,309	43%	0.00	3,303		
General Manager	11,440.00	26.05%	12,552.00	8.16%	-1,152	91%	0.00	11,440	0%	31,328.00	15.24%	36,540.00	4.81%	-5,212	87%	0.00	31,328		
Hardware & Software Support	5,337.48	8.44%	5,068.28	3.29%	308	107%	0.00	5,337	0%	13,755.65	6.1%	10,548.00	2.81%	-2,816	83%	0.00	13,756		
Insurance and Licenses	6,280.03	11.11%	6,045.77	3.82%	234	3%	0.00	6,280	0%	18,753.49	8.28%	13,567.47	4.20%	-1,166	107%	0.00	18,753		
Interest and Bank Charges	12,229.30	14.00%	22,412.31	14.43%	-8,447	61%	0.00	12,229	0%	38,914.10	18.69%	60,164.14	14.27%	-23,250	61%	0.00	38,914		
Internet/Printer	19,743.28	34.68%	32,676.39	21.05%	-12,179	61%	0.00	19,743	0%	61,684.40	28.47%	82,214.74	22.02%	-20,530	69%	0.00	61,684		
Lab Charges/Outlet Deli Expense	83.98	0.13%	580.24	0.43%	-576	31%	0.00	84	0%	819.31	0.04%	1,021.35	0.23%	-202	94%	0.00	819		
Leasehold Improvements	5,617.07	9.37%	3,380.96	4.09%	-2,236	80%	0.00	5,618	0%	17,603.95	7.52%	16,235.84	3.81%	1,567	110%	0.00	17,604		
Management, Services/Owner/Staffs/Bike	21,002.87	36.94%	27,776.84	16.11%	-5,870	79%	0.00	21,003	0%	31,148.26	16.0%	70,407.72	16.02%	-17,473	82%	0.00	31,148		
Miscellaneous	90.94	0.00%	1,126.48	0.74%	-1,035	93%	0.00	97	0%	2,528.25	1.28%	2,068.73	0.69%	-457	93%	0.00	2,528		
Motor Vehicle	8,859.12	14.39%	1,727.40	5.21%	1,029	11%	0.00	8,859	0%	16,165.44	11.19%	23,162.20	5.54%	-7,000	74%	0.00	16,165		
Office Supplies	206.18	0.10%	377.05	0.24%	-268	24%	0.00	80	0%	456.13	0.20%	1,240.00	0.39%	-1,183	28%	0.00	456		
Service Worker	2,960.00	4.70%	8,658.26	5.46%	-5,698	51%	0.00	4,563	0%	14,003.53	6.47%	22,272.10	5.93%	-8,122	64%	0.00	14,003		
Phone Services	4,303.00	7.01%	3,424.06	2.37%	-1,491	59%	0.00	4,303	0%	11,855.50	5.89%	11,015.35	1.17%	-1,500	74%	0.00	11,856		
Parts Manager	6,760.00	11.37%	3,760.00	0.0%	3,000	0%	0.00	6,760	0%	20,438.00	9.67%	20,245.00	4.44%	0	100%	0.00	20,245		
Policy	35.15	0.02%	672.83	1.15%	-141	22%	0.00	35	0%	508.72	0.20%	10,463.96	2.50%	-6,671	0%	0.00	509		
Printing/Forms	1,408.95	2.47%	1,113.06	0.88%	-106	92%	0.00	1,409	0%	4,220.88	1.89%	4,045.18	1.05%	-318	93%	0.00	4,221		
Repairs and Maintenance	849.80	1.41%	709.17	0.46%	140	17%	0.00	849	0%	2,606.00	1.19%	1,420.00	0.81%	1,186	63%	0.00	2,606		
Security Expense	33.70	0.05%	157.50	0.10%	-123	213%	0.00	33	0%	522.61	0.25%	472.50	0.1%	80	117%	0.00	523		
Company Vehicle	6,001.61	16.16%	1,177.70	8.30%	1,906	111%	0.00	2,982	0%	27,264.88	12.59%	23,207.49	7.07%	-6,040	55%	0.00	27,267		
Small Tools	0.00	0.00%	1,921.46	1.08%	-1,921	63%	0.00	0	0%	6,000.00	2.65%	0.00	0.00%	6,000	0%	0.00	6,000		
Supplies	25.49	0.00%	1,023.31	0.57%	-1,000	24%	0.00	25	0%	270.28	0.12%	2,555.88	0.62%	-2,285	11%	0.00	270		
Telephone	1,058.29	1.71%	900.20	0.57%	116	112%	0.00	1,058	0%	2,182.83	1.09%	2,017.27	0.76%	115	107%	0.00	2,183		
Travel	0.03	0.00%	0.00	0.00%	0	0%	0.00	0	0%	0.00	0.00%	0.00	0.00%	0	0%	0.00	0		
Taxes	1,423.05	2.51%	1,847.87	1.73%	-216	73%	0.00	1,423	0%	6,002.12	2.61%	6,819.45	1.81%	-362	94%	0.00	6,002		
Utilities	54.63	0.09%	489.35	0.26%	-91	110%	0.00	54	0%	206.50	0.09%	2,016.40	0.43%	-1,809	4%	0.00	206		
Warranty Expenses	149,453.25	26.14%	181,118.98	123.59%	-44,718	77%	0.00	149,454	0%	448,183.12	200.18%	385,447.26	133.64%	-119,383	79%	0.00	448,185		
OPERATING EXPENSES TOTAL																			
	827,401.31	-181.41%	120,872.71	-24.24%	-92,793	731%	0.00	827,487	0%	1,221,426.61	-100.76%	1,247,725.35	-33.40%	-88,731	124%	8.00	1,247,699		
NET LOSS FOR PERIOD																			
	MTD	%	PR-VL-MTD	%	Variance	%	Budget	Variance	%	YTD	%	PR-VL	%	Variance	%	Budget	Variance	%	
	827,401.31	-181.41%	120,872.71	-24.24%	-92,793	731%	0.00	827,487	0%	1,221,426.61	-100.76%	1,247,725.35	-33.40%	-88,731	124%	8.00	1,247,699		
	MTD	%	PR-VL-MTD	%	Variance	%	Budget	Variance	%	YTD	%	PR-VL	%	Variance	%	Budget	Variance	%	
	827,401.31	-181.41%	120,872.71	-24.24%	-92,793	731%	0.00	827,487	0%	1,221,426.61	-100.76%	1,247,725.35	-33.40%	-88,731	124%	8.00	1,247,699		

MIKE ROSMAN RV SALES
 04/15/2024
 User: Janam

Schedule Summary

11:56 AM

Aging for Account300 - Accounts Payable - Trade

For All Control Numbers

As of: 03/31/2024

Page: 1

Control	Total Balance	Current	31-60	61-90	Over 90	Amt
Account #: 300						
SOU04	369.60	369.60	0.00	0.00	0.00	5
13143	89.75	89.75	0.00	0.00	0.00	30
CAPRI	284.00	172.00	112.00	0.00	0.00	55
AIKLIQ	76.61	39.58	37.03	0.00	0.00	31
13405	52.50	52.50	0.00	0.00	0.00	3
LID1	520.80	520.80	0.00	0.00	0.00	12
ASHAAU	120.00	120.00	0.00	0.00	0.00	17
ARMSTRONG SPALLUMCH	26,407.72	26,407.72	0.00	0.00	0.00	18
ATLAS	667.17	667.17	0.00	0.00	0.00	16
BC CARGO TRAILERS	34,050.75	34,050.75	0.00	0.00	0.00	25
13274	1,674.04	1,674.04	0.00	0.00	0.00	33
CANADA REVENUE AGENC	54.36	54.36	0.00	0.00	0.00	0
15572	24,065.76	24,065.76	0.00	0.00	24,065.76	131
CBSA	147.76	147.76	0.00	0.00	0.00	27
CIBC WOOD GUNDY	(255.00)	39.86	0.00	(284.86)	0.00	67
COLE INTERNATIONAL INC	218.14	0.00	0.00	218.14	0.00	87
CRUISER RV, LLC	869.70	842.63	27.07	0.00	0.00	58
DE LAJE LANDEN FINANCI	1,000.00	1,000.00	0.00	0.00	0.00	0
DONALD'S MACHINE	9,404.19	474.25	8,929.94	0.00	0.00	32
ELAVON	52.50	0.00	52.50	0.00	0.00	55
ENTREPRISE ROBERT THII	9,731.41	0.00	9,731.41	0.00	0.00	31
EQUIFAX	521.25	521.25	0.00	0.00	0.00	5
EQUITABLE LIFE INSURAN	9.98	0.00	9.98	0.00	0.00	31
EVANS ENTERPRISES	15,885.35	0.00	15,885.35	0.00	0.00	60
FERMO RENTAL & SALES	3,774.75	2,012.85	1,017.90	744.00	0.00	86
FIRST CANADIAN INSURAN	2,105.99	1,402.63	703.96	0.00	0.00	32
FIRST CANADIAN PROTEC	246.40	246.40	0.00	0.00	0.00	27
FOUNTAIN TIRE	640.59	346.07	178.07	116.44	0.00	73
GOLD BUSINESS TECHNOL	3,480.82	0.00	0.00	3,480.82	0.00	131
GOODWIN MICHAEL	759.15	441.00	0.00	318.15	0.00	68
GRAPHIC ENTERPRISES L'	462.00	330.75	131.25	0.00	0.00	39
HEWBERRY ALARMS LTD	2,670.78	723.56	1,847.22	0.00	0.00	47
LORDCO AUTO PARTS	34,317.75	10,123.05	21,206.70	2,988.00	0.00	86
MILLENIUM INSURANCE	8,080.54	7,037.64	1,042.90	0.00	0.00	60
NORTHERN COMPUTER	602.50	602.50	0.00	0.00	0.00	10
NORTHWOOD MANUFACTI	10,084.45	536.64	9,527.81	0.00	0.00	38
NTP / KEYSTONE	4,568.43	2,154.95	2,413.48	0.00	0.00	31
PARKLAND CORPORATION	(562.38)	916.63	(904.05)	117.37	(692.33)	193
POLAR BATTERY	430.79	0.00	0.00	430.79	0.00	73
REGIONAL DISTRICT OF NI	302.19	142.78	102.05	57.36	0.00	82
RONA INC.	39,169.16	19,743.28	19,424.88	0.00	0.00	33
ROYAL BANK	14,103.25	4,140.85	9,962.40	0.00	0.00	59
SAYEE	828.01	0.00	0.00	0.00	0.00	18
SHAW BUSINESS	181.61	181.61	0.00	0.00	0.00	27
SHEPHERD'S HARDWARE	513.10	0.00	513.10	0.00	0.00	52
SUNBELT RENTALS OF CA	246.99	246.99	0.00	0.00	0.00	0
SUPERIOR PROPANE	5,108.54	0.00	1,809.28	3,299.26	0.00	68
THE DOMETIC CORPORAT	13,459.45	5,000.00	0.00	0.00	8,459.45	159
THIBAUT, DOUGLAS	191.10	191.10	0.00	0.00	0.00	30
TIRE STEWARDSHIP BC	136.50	62.50	84.00	0.00	0.00	60
TRADER CORPORATION	2,390.71	63.11	2,124.53	203.07	0.00	69
TRANS NATIONAL TRAILER	442.76	221.38	221.38	0.00	0.00	32
TRANSLUNION OF CANADA	8.96	8.96	0.00	0.00	0.00	25
VERNON LOCK & SECURIT						

MIKE ROSMAN RV SALES
04/15/2024
User: Janam
Aging for Account300 - Accounts Payable - Trade
For All Control Numbers
As of: 03/31/2024
Schedule Summary
11:56 AM
Page: 2

Control	Total Balance	Current	31-90	91-90	Over-90	Age
13185	534.24	0.00	534.24	0.00	0.00	40
13144	147.64	147.64	0.00	0.00	0.00	30
01WVL	735.00	0.00	735.00	0.00	0.00	52
	276,059.70	123,671.39	108,876.89	8,197.72	35,313.70	
55	56	43	29	11	4	

An * after the control indicates an inactive account

<<End of Schedule Summary Report>>

This is **Exhibit "FF"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024



A Commissioner for taking Affidavits
for British Columbia

DEALER FINANCIAL STATEMENT

247

DEALER	MIKE ROSMAN RV SALES			CITY	VERNON	PROV	BC	PAGE 1
FROM	2/1/2024	TO	2/29/2024					

BALANCE SHEET

ASSETS				LIABILITIES AND NET WORTH			
ACCT NO	AMOUNT	COLLATERAL	DATE	ACCT NO	AMOUNT	COLLATERAL	DATE
CURRENT ASSETS				CURRENT LIABILITIES			
CASH ON HAND	100-102	717	2	ACCOUNTS PAYABLE	300		104,615
CASH IN BANK	100-109	-119,506	3				11,000
CASH ON DEPOSIT	370			NOTES / DIVIDENDS PAYABLE	310		
CONTRACTS IN TRANSIT	116			VEHICLE LIEN PAYOFF	300L		
TOTAL CASH AND EQUIVALENTS (LINES 2-5)				VEHICLE PROTECTION / EXTENDED WARRANTY	300P 300W		
RECEIVABLES:							
SERVICE AND PARTS AR	120	11,528	8				
WARRANTY AR	122	19,150	9	TOTAL ACCOUNTS & NOTES PAYABLE (LINES 2-8)			195,615
VEHICLE AR	115			ACCRUED EXPENSES:			
OTHER RECEIVABLES				WAGES PAYABLE	315-325		5,516
				ACCRUED VACATION	307		13,753
				ACCRUED EXPENSES:	300		30,083
				TAXES - PAYROLL	302		25,851
				GST	304 110		24,600
				PST	305 311		36,313
				TIRE TAX	303		182
				BENEFITS PAYABLE	307		109
				ECO FEE	310		2
				TOTAL ACCRUED EXPENSES (LINES 11-19)			136,589
NET RECEIVABLES (LINES 6 THRU 11 + 20 - 21)		30,696	22	FLOOR PLAN LIABILITY:			
				NEW INVENTORY	403M		2,655,300
TOTAL RECEIVABLES (LINES 22-23)		30,696	24	USED INVENTORY	403U		735,658
INVENTORIES:							
UNITS OVER 90 DAYS				TOTAL FLOOR PLAN LIABILITY (LINES 20-24)			3,390,958
NEW TRAVEL TRAILER	125TT		27	TOTAL CURRENT LIABILITIES (LINES 0-19 + 25)			3,729,142
NEW TRUCK CAMPER	125TC		28				
NEW FIFTH WHEEL	125FW		29	WORKING CAPITAL			
				GUIDE - \$	733,994		
				ACTUAL - \$			
				OTHER LIABILITIES:			
OTHER NEW	125	3,243,639	32	SECURITY DEPOSITS - LEASE VEHICLE			
TOTAL NEW VEH. (LINES 27 THRU 32)		3,243,639	33	RESERVE FOR REPOSSESSION LOSSES			
RESERVE FOR INVENTORY WRITE-DOWN				RESERVE FOR INVENTORY WRITE-DOWNS	300W		
USED TRAVEL TRAILERS	128TT		35	LEASE/RENTAL VEHICLES			
USED TRUCK CAMPERS	128TC		36	COMPANY CARS & SERVICE VEHICLES			
USED FIFTH WHEEL	128FW		37	TOTAL OTHER LIABILITIES (LINES 31-36)			
OTHER	128	937,041	38	LONG-TERM DEBT:			
TOTAL USED		937,041	39	NOTES PAYABLE - CAPITAL LOANS			
PARTS & ACCESS	127	277,743	40	SUBORDINATED NOTES			
				MORTGAGES PAYABLE	410-413		2,590,105
LESS: INVENTORY ADJUSTMENT - PART & ACCESS				SHAREHOLDER LOAN	550		2,456,189
OTHER ADJT				TOTAL LONG-TERM DEBT (LINES 39-42)			5,055,294
LABOR IN PROCESS MECHANICAL	130	44,204	45	TOTAL LIABILITIES (LINES 25 + 36 + 42)			8,784,436
SUBLET REPAIRS	130S	240	46				
TOTAL P&A & MISC INVTY. (LINES 30 THRU 47)		322,107	47	NET WORTH:			
				CAPITAL STOCK			20
				ADDITIONAL PAID IN CAPITAL			
				RETAINED EARNINGS	500		695,665
				DIVIDENDS			
TOTAL INVENTORIES (LINES 33 + 38 + 47 + 46 + 49)		4,502,867	51	INVESTMENTS (PROPRIETOR OR PARTNERS)			
PREPAID EXPENSES	130	48,302	53	WITHDRAWALS			
TOTAL CURRENT ASSETS (LINES 5 + 24 + 50 + 51 + 52)		4,463,135	54	ADJUSTMENTS			
OTHER ASSETS:				CURRENT EARNINGS BEFORE TAXES			
				NEW			
				USED			
				COACH	TOW	CAR	OTHER
				COACH	TOW	CAR	OTHER
				J			
				F			
				M			
				A			
				M			
				J			
				J			
				A			
TOTAL OTHER ASSETS (LINES 55 THRU 61)							
AND, BLDGS. & EQUIPT. (AUTO BUSINESS ONLY)							
LAND	3,220,000	200	3,220,000				
GOODWILL	432,119	193 200	432,119				
BUILDING	1,113,887	-138,089 202 222	975,818				
EQUIPMENT	40,881	-15,102 210 220	25,779				
SIGNS	25,001	-9,728 214 224	15,273				
VEHICLES		215 235					
	216,060		216,060				
NET VALUE OF LAND BLDGS & EQUIPT. (LINES 64-70)			4,884,900				
TOTAL ASSETS (LINES 53 + 54 + 70)			9,348,135				
				TOTAL NET WORTH (LINES 48 THRU 52 + 70)			563,695
				TOTAL LIABILITIES AND NET WORTH (LINES 43 + 44 + 71)			9,348,131

SIGNATURE

DATE

Unit/Component	Revenue	Cost of Sales	Gross Profit	Operating Expenses	Net Income	Operating Expenses Total	Net Income for Period
SALES DEPARTMENT							
REVENUE	642,355.38	100.00%	145,700.00	495,655	411%	0.00	0.00
COST OF SALES	594,487.40	92.54%	128,861.32	485,626	461%	0.00	0.00
MANAGEMENT COMMISSIONS	11,000.00	1.71%	3,331.63	7,668.37	332%	0.00	0.00
GROSS PROFIT	37,492.73	5.84%	13,498.55	23,994	210%	0.00	0.00
PARTS DEPARTMENT							
REVENUE	27,959.00	100.00%	46,364.43	-17,405	62%	0.00	0.00
COST OF SALES	15,200.38	54.01%	2,864.05	54,700	61%	0.00	0.00
GROSS PROFIT	12,758.62	45.99%	20,500.38	-9,792	61%	0.00	0.00
SERVICE DEPARTMENT							
REVENUE	34,685.64	100.00%	57,702.54	-23,007	60%	0.00	0.00
COST OF SALES	28,805.73	83.02%	31,992.41	-3,087	55%	0.00	0.00
GROSS PROFIT	5,879.91	16.98%	25,710.13	-19,920	23%	0.00	0.00
FINANCE DEPARTMENT							
REVENUE	53,370.00	100.00%	20,735.41	32,635	257	0.00	0.00
COST OF SALES	42,634.59	79.71%	38,000.00	80	20%	0.00	0.00
GROSS PROFIT	10,735.41	20.29%	20,455.41	32,635	20%	0.00	0.00
OTHER INCOME & EXPENSE							
Other Income	1,198.00	100.00%	198.00	1,000	83%	0.00	0.00
Other Deductions	0.00	0.00%	0.00	0	0%	0.00	0.00
GROSS PROFIT	1,198.00	100.00%	198.00	1,000	83%	0.00	0.00
TOTAL REVENUE	758,331.02	100.00%	295,953.38	498,378	251%	0.00	0.00
TOTAL GROSS PROFIT	110,911.16	14.51%	80,114.09	29,857	137%	0.00	0.00
OPERATING EXPENSES							
Advertising	4,837.56	4.39%	2,000.00	2,838	240%	0.00	0.00
Accounting and Legal	12,653.38	11.50%	14,890.82	-1,438	90%	0.00	0.00
Association Dues & Expenses	162.25	0.15%	265.00	-103	61%	0.00	0.00
Backstage Fees	228.00	0.21%	855.79	-627	273%	0.00	0.00
Cash OS	(4.49)	0.00%	6.24	-11	-72%	0.00	0.00
Customer Service	4,982.00	0.00%	1,698.59	1,459	85%	0.00	0.00
Depreciation	0.00	0.00%	2,385.00	-203	95%	0.00	0.00
Fuel Expense	0.00	0.00%	0.00	0	0%	0.00	0.00
Freight	(0.78)	0.00%	(0.78)	0	0%	0.00	0.00
Freight Insurance	12,913.31	11.62%	13,570.00	494	104%	0.00	0.00
General Manager	1,406.85	1.23%	1,406.85	3,774	269%	0.00	0.00
Hardware & Software Support	4,119.97	3.71%	12,390.00	-1,750	87%	0.00	0.00
Insurance and Bank Charges	6,305.41	5.72%	5,318.55	1,026	117%	0.00	0.00
Interest and Bank Charges	19,444.19	26.81%	18,444.19	20,822	84%	0.00	0.00
Interest Floorplan	20,693.99	18.00%	20,432.55	7,730	79%	0.00	0.00
Let Manager	5,553.02	5.01%	4,753.79	797	87%	0.00	0.00
Management-Service/Finance/Sales Base	20,794.87	18.89%	19,357.37	1,437	107%	0.00	0.00
Miscellaneous	8,681.72	7.41%	7,727.40	1,855	166%	0.00	0.00
Office Salaries	4,720.21	4.09%	6,620.84	-1,901	271%	0.00	0.00
Office Supplies	1,395.00	1.17%	1,264.64	130	110%	0.00	0.00
Parts Salaries	6,700.00	6.44%	6,700.00	1,365	100%	0.00	0.00
Property Taxes	238.88	0.22%	260.49	-21	9%	0.00	0.00
Repairs and Maintenance	1,770.70	1.56%	1,913.06	-142	119%	0.00	0.00
Security Expense	16,420.00	0.91%	16,420.00	1,771	107%	0.00	0.00
Company Vehicle	8,620.28	0.96%	10,651.74	-1,235	386%	0.00	0.00
Small Tools	160.20	0.20%	160.20	44	104%	0.00	0.00

This is **Exhibit "GG"** referred to in **Affidavit #1**
of **Mark Kemp-Gee** made before me
on July 2, 2024

A handwritten signature in blue ink, appearing to read "M. J. Carter", is written over a horizontal line.

A Commissioner for taking Affidavits
for British Columbia



Tel: 604 688 5421
Fax: 604 688 5132
www.bdo.ca

BDO Canada Limited
Licensed Insolvency Trustees
1100-1055 West Georgia Street
Vancouver BC V6E 3P3 Canada

June 28, 2024

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard Street
Vancouver, British Columbia
V7X 1T2

Royal Bank of Canada
Special Loans and Advisory Services
6th Floor - 885 W. Georgia Street
Vancouver, British Columbia
V6C 3G1

Attention: Mr. Ryan Laity and Mr. Mark Kemp-Gee

Royal Bank of Canada v. Vernon Recreational Products (VRP) Sales and Service Ltd. and 1390951 B.C Ltd.
Supreme Court of British Columbia, Kelowna Registry, Action No. TBD

We confirm that we are prepared to act as Receiver and Manager of all the current and future assets, undertakings and properties of **Vernon Recreational Products (VRP) Sales and Service Ltd. and 1390951 B.C Ltd.** in the above proceeding.

We are aware that if we are appointed, we will be acting as an Officer of the Supreme Court of British Columbia (the "**Court**"). We confirm that we will abide by any Order made by the Court.

Yours truly,

BDO Canada Limited

Per: Jervis C. Rodrigues, FCPA, FCA, CFE, CIRP, LIT
Partner/Senior Vice-President