

Court No. S1710393
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

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

AND

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

AND

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

PROOF OF CLAIM

Please read the "**Instructions for Completing Proof of Claim**" carefully prior to completing this Proof of Claim. Please print legibly.

- 1) The properly completed Proof of Claim must be delivered by ordinary mail, registered mail, courier, facsimile, electronic mail or personal delivery to McEown and Associates Ltd. (the "**Monitor**") at:

McEown and Associates Ltd.
#1140 – 800 West Pender Street
Vancouver, BC V6C 2V6
Fax No.: (604) 558-8021

Attention : John McEown

- 2) Full Legal Name of Creditor: 1093163 Alberta Ltd. (the "**Creditor**").

3) Full Mailing Address of the Creditor:

(All notices and correspondence regarding your Claim will be forwarded to this address or to the email address or facsimile address below if appropriate and applicable):

c/o Keywest Ford Sales Ltd.
301 Stewardson Way
New Westminster, B.C.
V3M 2A5

- 4) Telephone Number: (604) 828-5529
5) Email: albackman@keywestford.com
6) Fax Number: _____
7) Claim Details:

I am a **Creditor** and **received** a Claims Package from the Monitor.

My Claim amount is \$ 602,338 as at ~~November 10, 2017~~ December 18, 2019

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

- 1) I am a Creditor of ACIC.
- 2) I have knowledge of all the circumstances concerning the Claim hereafter referred to.
- 3) That ACIC was, at the date of the Initial Order, namely November 10, 2017, and still is, indebted to the creditor in the sum of \$ 517,777.72 as specified in the Statement of Account (or affidavit) attached and marked as Schedule "A", after deducting any counterclaims to which ACIC is entitled. Claims must be submitted in Canadian dollars only.
- 4) Attached as Schedules to this Proof of Claim are:
 - A. A Statement of Account detailing:
 - i. the amounts owing to me for services rendered or advances made by me to ACIC;

ii. interest accrued on amounts owed; and

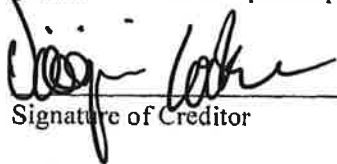
iii. any amounts received by me or paid to any third party on behalf of or for the benefit of me from ACIC

B. All documents supporting the amounts shown in the Statement of Account, including documents in support of any entitlement to receive interest on the amount owed such as a contract, promissory note or invoice with specified terms of payment.

5) To the best of my knowledge, I am related OR I am not related to ACIC within the meaning of Section 4 of the *Bankruptcy and Insolvency Act* (enclosed) and have OR have not dealt with ACIC in a non-arm's length manner.

DATED at Key West Ford, this 19th day of December, 2019.

Per: 1083163 Alberta Ltd
[Name of Creditor - please print]


Signature of Creditor


Signature of Witness

NOTE: All relevant documentation on which you rely in making your Claim must be attached to this Proof of Claim, as the validity of your Claim will be determined solely on this Proof of Claim and attachments thereto. If the claim is disallowed for any reason, and you file an appeal of that disallowance, the appeal will be heard as a true appeal and your ability to introduce fresh or new evidence in support of your claim will be limited accordingly.

Schedule "A"

1083163 Alberta Ltd.

All Canadian Investment Corporation Debenture

Historical Analysis

<u>Date</u>	<u>Purchase</u>	<u>Interest Accrual</u>	<u>Interest Received</u>	<u>Accrued Value</u>	<u>Notes</u>
Jul 9/14	500,000	0	0	500,000	1
Dec 18/19		217,863	115,525	602,338	2
				<u>102,338</u>	3

Notes

- 1 Assumes an interest start date of Jul 9/14, with simple interest calculated daily using an annual rate of 8%
- 2 Final interest payment received Jun 5/17
- 3 Amount represents the unreceived interest to Dec 18/19
- 4 Interest continues to accrue at the daily rate of \$109.59 from and after December 18, 2019 to date of payment

**ALL CANADIAN INVESTMENT CORPORATION
PRIVATE PLACEMENT SUBSCRIPTION AGREEMENT**

The undersigned (the "Subscriber") hereby irrevocably subscribes for and agrees to purchase from All Canadian Investment Corporation (the "Company") an unsecured debenture of the Company (the "Debenture") in the principal amount set out below. The Subscriber agrees to be bound by the terms and conditions set forth in the attached "Terms and Conditions of Subscription for Debenture".

<p>Subscriber Information</p> <p><u>1083163 Alberta Ltd</u> (Name of Subscriber)</p> <p>Account Reference (if applicable): _____</p> <p><input checked="" type="checkbox"/> (Signature of Subscriber - if the Subscriber is an Individual)</p> <p><u>[Signature]</u> (Signature of Authorized Signatory - if the Subscriber is not an Individual)</p> <p><u>Arden Backman Gullasso Secretary/Treasurer</u> (Name and Title of Authorized Signatory - if the Subscriber is not an Individual)</p> <p><u>861979706 RC0001</u> (SIN, SSN, or other Tax Identification Number of the Subscriber)</p> <p><u>301 Stewardson Way</u> (Subscriber's Address, including city and Postal Code)</p> <p><u>New Westminster, B.C. V8M 2A5</u></p> <p><u>604 828-5529</u> <u>albackman@keywestford.com</u> (Telephone Number) (Email Address)</p>	<p>Debenture to be Purchased</p> <p>Principal Amount of Debenture: <u>\$500,000</u></p> <p>Please complete if purchasing as agent or trustee for a principal (beneficial purchaser) (a "Disclosed Principal") and not purchasing as trustee or agent for accounts fully managed by it.</p> <p>_____ (Name of Disclosed Principal)</p> <p>_____ (Address of Disclosed Principal)</p> <p>_____ (Account Reference, if applicable)</p> <p>_____ (SIN, SSN, or other Tax Identification Number of Disclosed Principal)</p>
<p>Register the Debenture as set forth below:</p> <p><u>1083163 Alberta Ltd</u> (Name to Appear on Debenture Certificate)</p> <p>(Account Reference, if applicable)</p> <p><u>301 Stewardson Way, New Westminster</u> (Address, including Postal Code) <u>BC, V8M 2A5</u></p>	<p>Deliver the Debenture as set forth below:</p> <p><u>Al Backman c/o Key West Ford</u> (Attention - Name)</p> <p>(Account Reference, if applicable)</p> <p><u>301 Stewardson Way, New Westminster</u> (Street Address, including Postal Code) (No PO Box)</p> <p><u>604 828-5529</u> <u>BC, V8M 2A5</u> (Telephone Number)</p>
<p>Number and kind of securities of the Company held, directly or indirectly, or over which control or direction is exercised by the Subscriber, if any:</p> <p>_____</p>	

ACCEPTANCE

The Company hereby accepts the subscription as set forth above on the terms and conditions contained in this Private Placement Subscription Agreement (including the Terms and Conditions and Exhibits attached hereto) as of the 18 day of July, 2014.

ALL CANADIAN INVESTMENT CORPORATION

Per: [Signature]
Authorized Signatory

TERMS AND CONDITIONS OF SUBSCRIPTION FOR DEBENTURE

1. Subscription

1.1 On the basis of the representations and warranties and subject to the terms and conditions set forth herein, and in the form of Debenture certificate attached as Exhibit A that starts on page 9, the Subscriber hereby irrevocably subscribes for and agrees to purchase the Debenture of the Company in the principal amount as shown on page 2 of this Subscription Agreement (the "Subscription Amount") (such subscription and agreement to purchase being the "Subscription") pursuant to this subscription agreement (the "Agreement").

1.2 The principal amount of the Debenture will mature on May 31, 2015 ("Maturity"). The principal amount of the Debenture will accrue interest at 8% per annum, which interest is payable monthly.

1.3 The Company hereby agrees to sell the Debenture to the Subscriber on the basis of the representations and warranties and subject to the terms and conditions set forth in this Agreement. Subject to the terms of this Agreement, the Agreement will be effective upon its acceptance by the Company.

1.4 The Subscriber acknowledges that the Debenture has been offered as part of an offer by the Company of other Debentures as may be determined by the board of directors of the Company in its sole discretion (the "Offering").

1.5 Unless otherwise provided, all dollar amounts referred to in this Agreement are in lawful money of Canada.

2. Payment

2.1 The Subscription Amount must accompany this Subscription and shall be paid by cheque or bank draft drawn on a Canadian chartered bank.

2.2 If the Subscription Amount is delivered to legal counsel for the Company, the Subscriber authorizes and directs such legal counsel to pay such funds as further authorized and directed by the Company following the closing of the Subscription (the "Closing").

2.3 The Subscriber acknowledges and agrees that this Agreement, the Subscription Amount and any other documents delivered in connection herewith will be held by or on behalf of the Company. In the event that this Agreement is not accepted by the Company within 60 days from the date the Company receives the Agreement and the Subscription Agreement, for whatever reason which the Company expressly reserves the right to do, the Subscription Amount (without interest thereon) and any other documents delivered in connection herewith will be returned to the Subscriber at the address of the Subscriber as set forth on page 2 of this Agreement.

3. Documents Required from Subscriber

3.1 For Closing, the Subscriber must complete, sign and return to the Company the following documents:

- (a) an executed copy of this Agreement;
- (b) the Subscription Amount; and
- (c) such other supporting documentation that the Company or its legal counsel may request to establish the Subscriber's qualification as a qualified investor.

3.2 The Subscriber shall complete, sign and return to the Company as soon as possible, on request by the Company, any additional documents, questionnaires, notices and undertakings as may be required by any regulatory authorities and applicable law.

3.3 Both parties to this Agreement acknowledge and agree that Clark Wilson LLP has acted as counsel only to the Company and is not protecting the rights and interests of the Subscriber. The Subscriber acknowledges and agrees that the Company and Clark Wilson LLP have given the Subscriber the opportunity to seek, and are hereby recommending that the Subscriber obtain, independent legal advice with respect to the subject matter of this Agreement and, further, the Subscriber hereby represents and warrants to Company and Clark Wilson LLP that the Subscriber has sought independent legal advice or waives such advice.

4. Conditions and Closing

4.1 The Closing will occur on such date as may be determined by the Company in its sole discretion (the "Closing Date"). The Company may, at its discretion, elect to close the Offering in one or more closings, in which event the Company may agree with one or more purchasers (including the Subscriber to this Agreement) to complete delivery of the Debenture to such purchaser(s) against payment therefor at any time on or prior to the Closing Date.

4.2 The Closing (including the closing of this Subscription) is conditional upon and subject to:

- (a) the Company having obtained all necessary approvals and consents, including regulatory approvals for the Offering; and
- (b) the issue and sale of the Debenture being exempt from the requirement to file a prospectus and the requirement to deliver an offering memorandum under applicable securities legislation relating to the sale of the Debenture, or the Company having received such orders, consents or approvals as may be required to permit such sale without the requirement to file a prospectus or deliver an offering memorandum.

4.3 The Subscriber acknowledges that the certificate representing the Debenture will be available for delivery, provided that the Subscriber has satisfied the requirements of Section 3 hereof and the Company has accepted this Agreement.

5. Acknowledgements and Agreements of Subscriber

5.1 The Subscriber acknowledges and agrees that:

- (a) none of the Debentures or any other securities of the Company for which the Subscriber may agree in the future to exchange their Debenture (the "Securities") have been or will be registered under the United States Securities Act of 1933, as amended, (the "1933 Act"), or under any securities or "blue sky" laws of any state of the United States, and, unless so registered, may not be offered or sold in the United States or, directly or indirectly, to U.S. Persons, as that term is defined in Regulation S under the 1933 Act ("Regulation S"), except in accordance with the provisions of Regulation S, pursuant to an effective registration statement under the 1933 Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and in each case only in accordance with applicable state, provincial and foreign securities laws and the Company's Articles;
- (b) the Company has not undertaken, and will have no obligation, to register any of the Securities under the 1933 Act or any other securities legislation;
- (c) the Subscriber has been furnished with all information, financial and otherwise, concerning the business, affairs and financial position of the Company necessary to make an informed decision to purchase the Securities and the Subscriber agrees that such information has not been furnished pursuant to any form of written material which is, or may be construed as, an offering memorandum as that term is defined in applicable securities legislation as from time to time amended, and regulations and rules prescribed thereto;

- (d) the Subscriber acknowledges that it is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters such that it is capable of evaluating the merits and risks of the investment in the Securities;
- (e) the Subscriber understands and agrees that the Company and others will rely upon the truth and accuracy of the acknowledgements, representations, warranties, covenants and agreements contained in this Agreement and agrees that if any of such acknowledgements, representations and agreements are no longer accurate or have been breached, the Subscriber shall promptly notify the Company;
- (f) the Subscriber and the Subscriber's advisor(s) have had a reasonable opportunity to ask questions of and receive answers from the Company in connection with the distribution of the Securities hereunder, and to obtain additional information, to the extent possessed or obtainable without unreasonable effort or expense, necessary to verify the accuracy of the information about the Company;
- (g) the Subscriber has been advised to consult the Subscriber's own legal, tax and other advisors with respect to the merits and risks of an investment in the Securities and with respect to applicable resale restrictions, and it is solely responsible (and the Company is not in any way responsible) for compliance with:
 - (i) any applicable laws of the jurisdiction in which the Subscriber is resident in connection with the distribution of the Securities hereunder, and
 - (ii) applicable resale restrictions;
- (h) the Subscriber understands and agrees that there may be material tax consequences to the Subscriber of an acquisition or disposition of the Securities and the Company gives no opinion and makes no representation with respect to the tax consequences to the Subscriber under federal, state, provincial, local or foreign tax law of the Subscriber's acquisition or disposition of the Securities;
 - (i) no prospectus has been filed by the Company with any securities commissions or any other regulatory authorities in connection with the issuance of the Securities;
 - (j) an investment in the Company is highly speculative and only investors who can afford the loss of their entire investment should consider investing in the Company and the Securities;
 - (k) the Subscriber is of the age of majority (if the Subscriber is an individual) and is under no legal impediment to transact and is not acting as nominee for any person or company, and will be the sole beneficial owner of the Securities;
 - (l) this is the entire agreement between the parties respecting the purchase of the Securities hereunder and there are no other covenants or representations made by the Company or any directors, insiders, officers, promoters or shareholders of the Company to the Subscriber;
 - (m) the Subscriber consents to the placement of a legend or legends on any certificate or other document evidencing the Securities setting forth or referring to the restrictions on transferability and sale thereof contained in this Agreement;
 - (n) the Company has advised the Subscriber that the Company is relying on an exemption from the requirements to provide the Subscriber with a prospectus under provincial securities legislation and other applicable securities laws, and, as a consequence of acquiring the Securities pursuant to such exemption, certain protections, rights and remedies provided by applicable securities

legislation (including the various provincial securities acts), including statutory rights of rescission or damages, will not be available to the Subscriber;

- (o) no securities commission or similar regulatory authority has reviewed or passed on the merits of any of the Securities;
- (p) there is no government or other insurance covering any of the Securities; and
- (q) this Agreement is not enforceable by the Subscriber unless it has been accepted by the Company, and the Subscriber acknowledges and agrees that the Company reserves the right to reject any Subscription for any reason whatsoever.

6. Representations, Warranties and Covenants of the Subscriber

6.1 The Subscriber hereby represents and warrants to and covenants with the Company (which representations, warranties and covenants shall survive the Closing) that:

- (a) the Subscriber is not a U.S. Person;
- (b) the Subscriber is resident of British Columbia;
- (c) the Subscriber is purchasing the Debenture as principal for its own account and not for the benefit of any other person;
- (d) the Debenture has an acquisition cost to the Subscriber of not less than \$150,000, payable in cash at the Closing of the Offering; and
- (e) the Subscriber was not created and is not being used solely to purchase or hold securities in reliance on the registration and prospectus exemptions provided under Section 2.10 of NI 45-106, it pre-existed the Offering and has a bona fide purpose other than investment in the Debenture;
- (f) the Subscriber has the legal capacity and competence to enter into and execute this Agreement and to take all actions required pursuant hereto and, if the Subscriber is a corporate entity, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution and performance of this Agreement on behalf of the Subscriber;
- (g) the entering into of this Agreement and the transactions contemplated hereby do not result in the violation of any of the terms and provisions of any law applicable to, or, if applicable, the constituting documents of, the Subscriber or of any agreement, written or oral, to which the Subscriber may be a party or by which the Subscriber is or may be bound;
- (h) the Subscriber has duly executed and delivered this Agreement and it constitutes a valid and binding agreement of the Subscriber enforceable against the Subscriber;
- (i) the Subscriber has received and carefully read this Agreement;
- (j) the Subscriber has made an independent examination and investigation of an investment in the Securities and the Company and agrees that the Company will not be responsible in any way whatsoever for the Subscriber's decision to invest in the Securities and the Company;

6.2 In this Agreement, the term "U.S. Person" shall have the meaning ascribed thereto in Regulation S promulgated under the 1933 Act and for the purpose of the Agreement includes any person in the United States.

7. **Representations and Warranties will be Rolled Upon by the Company**

7.1 The Subscriber acknowledges that the representations and warranties contained herein are made by it with the intention that such representations and warranties may be relied upon by the Company and its legal counsel in determining the Subscriber's eligibility to purchase the Debenture under applicable legislation, or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to purchase the Securities under applicable legislation. The Subscriber further agrees that by accepting delivery of the certificate representing the Debenture on the Closing Date, it will be representing and warranting that the representations and warranties contained herein are true and correct as at the Closing Date with the same force and effect as if they had been made by the Subscriber on the Closing Date and that they will survive the purchase by the Subscriber of the Securities and will continue in full force and effect notwithstanding any subsequent disposition by the Subscriber of such Securities.

8. **Acknowledgement and Waiver**

8.1 The Subscriber hereby waives, to the fullest extent permitted by law, any rights of withdrawal, rescission or compensation for damages to which the Subscriber might be entitled in connection with the distribution of the Securities.

9. **Collection of Personal Information**

9.1 The Subscriber acknowledges and consents to the collection and retention by the Company of certain information, including personal information, regarding the Subscriber and the Subscriber's subscription, including the Subscriber's name, address, telephone number and email address, the number of Securities purchased, and any control persons of the Subscriber. The Subscriber acknowledges and agrees that this information will be retained on the share register of the Company which may be available for inspection by the public. The Subscriber further consents and agrees to the release of this information to the securities regulatory authorities as required by law and regulatory policies.

10. **Costs**

10.1 The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the purchase of the Debenture shall be borne by the Subscriber.

11. **Governing Law**

11.1 This Agreement is governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Subscriber, in its personal or corporate capacity and, if applicable, on behalf of each beneficial purchaser for whom it is acting, irrevocably attorns to the exclusive jurisdiction of the courts of the Province of British Columbia.

12. **Currency**

12.1 Any reference to currency in this Agreement is to the currency of Canada unless otherwise indicated.

13. **Survival**

13.1 This Agreement, including, without limitation, the representations, warranties and covenants contained herein, shall survive and continue in full force and effect and be binding upon the parties hereto notwithstanding the completion of the purchase of the Debenture by the Subscriber pursuant hereto.

14. **Assignment**

14.1 This Agreement is not transferable or assignable.

15. Severability

15.1 The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

16. Entire Agreement

16.1 Except as expressly provided in this Agreement and in the exhibits, agreements, instruments and other documents attached hereto or contemplated or provided for herein, this Agreement contains the entire agreement between the parties with respect to the sale of the Debenture and there are no other terms, conditions, representations or warranties, whether expressed, implied, oral or written, by statute or common law, by this Company or by anyone else.

17. Notices

17.1 All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication, including facsimile, electronic mail or other means of electronic communication capable of producing a printed copy. Notices to the Subscriber and the Company shall be directed to the addresses of such as set forth on page 2 of this Agreement.

18. Counterparts and Electronic Means

18.1 This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall constitute an original and all of which together shall constitute one instrument. Delivery of an executed copy of this Agreement by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Agreement as of the date hereinafter set forth.

19. Exhibits

19.1 The exhibits attached hereto form part of this Agreement.

20. Indemnity

20.1 The Subscriber will indemnify and hold harmless the Company and, where applicable, its directors, officers, employees, agents, advisors and shareholders, from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Subscriber contained in this Agreement, the Questionnaire, as applicable, or in any document furnished by the Subscriber to the Company in connection herewith being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber to the Company in connection therewith.

FORM OF DEBENTURE

No:004

Issue Date: July 18, 2014

CDN\$500,000

UNSECURED DEBENTURE

FOR VALUE RECEIVED, All Canadian Investment Corporation (the "Company") promises to pay to 1083163 Alberta Ltd. or its registered assigns (the "Holder"), the principal sum of FIVE HUNDRED THOUSAND DOLLARS (\$ 500,000.00) in lawful currency of Canada (the "Principal Amount") on or before May 31, 2015 (the "Maturity Date"), subject to the terms and conditions hereof. This Debenture shall bear interest calculated per annum at the Interest Rate (as defined herein). This Debenture is not transferable. The Company may prepay a portion of the Principal Amount without the prior written consent of the Holder subject, however, to the provisions of Section 5 below.

This Debenture is subject to the following additional terms and conditions:

1. Definitions

1.1 For the purposes hereof, in addition to the terms defined elsewhere in this Debenture; (i) capitalized terms not otherwise defined herein have the meanings given to such terms in the Subscription Agreement (as defined herein), and (ii) the following terms shall have the following meanings:

- (a) "Business Day" means any day except Saturday, Sunday and any day which shall be a statutory holiday in the province of British Columbia or a day on which banking institutions in the province of British Columbia are authorized or required by law or other government action to close;
- (b) "Debenture" means this unsecured debenture;
- (c) "Interest Rate" means 8% per annum, calculated in accordance with Section 3.1;
- (d) "Issue Date" means July 18, 2014;
- (e) "Person" means a corporation, association, partnership, organization, business, individual, government or political subdivision thereof;
- (f) "Principal Amount" means the principal amount as may be due and owing by the Company to the Holder from time to time under this Debenture; and
- (g) "Subscription Agreement" means the Subscription Agreement, dated as of July 18, 2014, to which the Company and the Holder are parties and pursuant to which the Holder agreed to purchase this Debenture.

1.2 Unless otherwise provided, all dollar amounts referred to in this Debenture are in lawful money of Canada.

2. Subscription Agreement

2.1 This Debenture has been issued pursuant to the Subscription Agreement, is subject in all respects to the terms of the Subscription Agreement, and incorporates the terms of the Subscription Agreement to the extent that they do not conflict with the terms of this Debenture. This Debenture may not be transferred or exchanged without the prior written consent of the Company and then only in compliance with applicable securities laws and regulations and the Company's Articles.

3. Interest

- 3.1 The Principal Amount shall bear simple interest both before and after maturity, default and judgment from and including the Issue Date to the date of repayment in full at the Interest Rate. Interest shall be calculated on the basis of a 365-day year and shall accrue daily commencing on the Issue Date until payment in full of the Principal Amount, together with all accrued and unpaid interest and other amounts which may become due hereunder, has been made. Interest shall cease to accrue with respect to any part of the Principal Amount prepaid by the Company. Interest is payable for the previous month on or before the second Business Day of the following month.

4. Prepayment

- 4.1 The Company shall have the right to prepay a minimum of \$50,000 or more of the outstanding Principal Amount and any accrued but unpaid interest thereon due under this Debenture at any time and from time to time upon the Company giving the Holder at least fifteen (15) calendar days (the "Notice Period") prior written notice of the Company's intent to make a prepayment (a "Prepayment Notice").
- 4.2 The prepayment (less any tax required to be withheld by the Company) shall be paid by cheque or by such other reasonable means as the Company deems desirable. The mailing of such cheque from the Company's registered office, or the payment by such other reasonable means as the Company deems desirable, on or before the prepayment date shall be deemed to be payment on the prepayment date unless the cheque is not honoured upon presentation or payment by such other means is not received. Notwithstanding the foregoing, the Company shall be entitled to require at any time, and from time to time, that the prepayment be paid to the Holder only upon presentation and surrender of this Debenture at the registered office of the Company or at any other place or places in British Columbia designated by the Prepayment Notice. If only a part of the Debenture is to be prepaid, a new certificate for the balance of the Principal Amount shall be issued at the expense of the Company.
- 4.3 At any time after a Prepayment Notice is given, the Company shall have the right to deposit the amount of the prepayment with any chartered bank or banks or with any trust company or trust companies in British Columbia named for such purpose in the Prepayment Notice to the credit of a special account or accounts in trust for Holder, to be paid to it upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the Debenture. Upon such deposit or deposits being made or upon the prepayment date, whichever is later, the Debenture shall be and be deemed to be paid and the rights of the Holder shall be limited to receiving, without interest, the amount so deposited. Any interest allowed on such deposit or deposits shall accrue to the Company.

5. Events of Default

- 5.1 The occurrence of any of the following shall constitute an "Event of Default" under this Debenture:
- (a) the Company failing to pay any Principal Amount or interest payment hereof on the due date hereunder and such failure continuing for fifteen (15) calendar days after written notice thereof is delivered to the Company;
 - (b) the Company failing to observe or perform any other covenant or agreement contained in this Debenture or the Subscription Agreement which failure is not cured, if possible to cure, within thirty (30) calendar days after notice of such default is sent by the Holder to the Company;
 - (c) the Company (i) applying for or consenting to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) being unable, or admitting in writing its inability, to pay its debts generally as they mature, (iii) making a general assignment for the benefit of its or any of its creditors, (iv) being dissolved or liquidated in full or in part (v) commencing a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now

or hereafter in effect or consenting to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or (vi) taking any action for the purpose of effecting any of the foregoing; and

(d) proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect being commenced and an order for relief entered or such proceeding is not dismissed or discharged within thirty (30) days of commencement.

5.2 Upon the occurrence or existence of any Event of Default and following the expiry of any applicable grace periods and at any time hereafter during the continuance of such Event of Default, the Holder may, by written notice to the Company, declare all outstanding amounts payable by the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. Upon the occurrence or existence of any Event of Default described in subsections 5.1(c) hereof, immediately and without notice, all outstanding amounts payable by the Company hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. In addition to the foregoing remedies, upon the occurrence or existence of any Event of Default, the Holder may exercise any other right, power or remedy permitted to it by law, either by suit in equity or by action at law, or both.

6. Notices

7.1 Any notice required or permitted to be given to the Company or the Holder will be in writing and may be given by prepaid registered post, electronic facsimile transmission or other means of electronic communication capable of producing a printed copy to the address of the party set forth below or such other address as such party may specify by notice in writing to the other party, and any such notice will be deemed to have been given and received by the party to whom it was addressed if mailed, on the third day following the mailing thereof, if by facsimile or other electronic communication, on the date sent, or, if delivered, on delivery; but if at the time of mailing or between the time of mailing and the third Business Day thereafter there is a strike, lockout, or other labour disturbance affecting postal service, then the notice will not be effectively given until actually delivered:

To the Company:

825 Lakeshore Drive, S.W.
Salmon Arm BC V1E 1E4

Attention: The President

To the Holder:

Name: 1083163 Alberta Ltd.
Address: 301 Stewardson Way, New Westminster, BC, V3M 2A5
Facsimile:
Email: albackman@keywestford.com

7. Exchange or Replacement of Debenture

7.1 The Holder may, at its option, in person or by duly authorized attorney, surrender this Debenture for exchange at the principal business office of the Company and receive in exchange therefor a new Debenture in the same principal amount as the unpaid Principal Amount of this Debenture and bearing

interest at the same annual rate as this Debenture, each such new Debenture to be dated as of the date of this Debenture and to be in such Principal Amount as remains unpaid and payable to such Holder.

7.2 Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction, or mutilation of this Debenture and (in the case of loss, theft or destruction) of an indemnity reasonably satisfactory to it, and upon surrender and cancellation of this Debenture, if mutilated, the Company will deliver a new Debenture of like tenor in lieu of this Debenture. Any Debenture delivered in accordance with the provisions of this Section 7.2 shall be dated as of the date of this Debenture.

8. Governing Law

8.1 All questions concerning the construction, validity, enforcement and interpretation of this Debenture shall be governed by and construed and enforced in accordance with the laws of the province of British Columbia and the federal laws of Canada applicable therein, without regard to the principles of conflicts of law thereof.

9. Waivers

9.1 The Company hereby waives presentment, demand for payment, notice of dishonour, notice of protest and all other notices or demands in connection with the delivery, acceptance, performance or default of this Debenture. No delay by the Holder in exercising any power or right hereunder shall operate as a waiver of any power or right, nor shall any single or partial exercise of any power or right preclude other or further exercise thereof, or the exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatsoever or modification of the terms hereof shall be valid unless set forth in writing by the Holder and then only to the extent set forth therein.

10. Amendments

10.1 Subject to the provisions of the Subscription Agreement, this Debenture may not be amended without the express written consent of both the Company and the Holder.

11. Severability

11.1 If any provision of this Debenture is invalid, illegal or unenforceable, the balance of this Debenture shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances.

12. Next Business Day


12.1 Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

13. Time of the Essence

13.1 Time will be of the essence of this Debenture.

IN WITNESS WHEREOF, the Company has caused this Debenture to be duly executed by a duly authorized officer as of the date first above indicated.

ALL CANADIAN INVESTMENT CORPORATION

Per: 
Authorized Signatory