

## PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1  
 Stylesheet Version v1.2

EPAS ID: PAT2692489

SUBMISSION TYPE:	CORRECTIVE ASSIGNMENT								
NATURE OF CONVEYANCE:	Corrective Assignment to correct the ADDRESS AND EXECUTION DATE OF ASSIGNEE BPG RECREATIONAL INC. previously recorded on Reel 031455 Frame 0192. Assignor(s) hereby confirms the THE MERGER DOCUMENT.								
CONVEYING PARTY DATA									
<table border="1"> <thead> <tr> <th>Name</th> <th>Execution Date</th> </tr> </thead> <tbody> <tr> <td>BPG, INC.</td> <td>07/20/2011</td> </tr> <tr> <td>BPG IP HOLDINGS, INC.</td> <td>07/20/2011</td> </tr> <tr> <td>BPG RECREATIONAL INC.</td> <td>07/20/2011</td> </tr> </tbody> </table>		Name	Execution Date	BPG, INC.	07/20/2011	BPG IP HOLDINGS, INC.	07/20/2011	BPG RECREATIONAL INC.	07/20/2011
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BPG RECREATIONAL INC.	07/20/2011								
RECEIVING PARTY DATA									
Name:	BPG RECREATIONAL INC.								
Street Address:	2940 PORTLAND DRIVE								
City:	OAKVILLE, ON								
State/Country:	CANADA								
Postal Code:	L6H5W8								
PROPERTY NUMBERS Total: 1									
<table border="1"> <thead> <tr> <th>Property Type</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Application Number:</td> <td>14111533</td> </tr> </tbody> </table>		Property Type	Number	Application Number:	14111533				
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Application Number:	14111533								
CORRESPONDENCE DATA									
Fax Number:	(650)851-7232								
Phone:	650-851-7210								
Email:	alan@younglawfirm.com								
<i>Correspondence will be sent via US Mail when the email attempt is unsuccessful.</i>									
Correspondent Name:	YOUNG LAW FIRM, PC								
Address Line 1:	4370 ALPINE ROAD								
Address Line 2:	SUITE 202								
Address Line 4:	PORTOLA VALLEY, CALIFORNIA 94028								
ATTORNEY DOCKET NUMBER:	OSLR6699								
NAME OF SUBMITTER:	ALAN W YOUNG								

Signature:

/alan w young/

Date:

01/22/2014

**Total Attachments: 48**

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## PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1  
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EPAS ID: PAT2587042

SUBMISSION TYPE:	NEW ASSIGNMENT								
NATURE OF CONVEYANCE:	MERGER								
EFFECTIVE DATE:	07/26/2011								
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BPG IP HOLDINGS, INC.	07/20/2011								
BPG RECREATIONAL INC.	07/20/2013								
RECEIVING PARTY DATA									
Name:	BPG RECREATIONAL INC.								
Street Address:	100 KING STREET, 1 FIRST CANADIAN PLACE								
Internal Address:	63 FLOOR								
City:	TORONTO, ON								
State/Country:	CANADA								
Postal Code:	M5X 1B8								
PROPERTY NUMBERS Total: 1									
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Address Line 4:	PORTOLA VALLEY, CALIFORNIA 94028								
ATTORNEY DOCKET NUMBER:	OSLR6699 ASSIGN REC 2								

502541595

PATENT  
 REEL: 032113 FRAME: 0455

OP \$40.00 14111533

NAME OF SUBMITTER:	ALAN W YOUNG
Signature:	/alan w young/
Date:	10/22/2013

**Total Attachments: 45**

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## ARTICLES OF AMALGAMATION

## BPG RECREATIONAL INC.

## 4. The director(s) is/are:

First name, middle names and surname	Address for service, giving Street & No. or R.R. No., Municipality, Province, Country and Postal Code	Resident Canadian State "Yes" or "No"
Ryan James Fairhead	26 Brisbane Court Brampton, ON L6R 1V4 Canada	Yes
Richard R. Godfrey	9820 E. Thompson Peak Parkway, Lot 837 Scottsdale, AZ 85255 USA	No
Benjamin J. Poss Gulak	5175 Derry Road Milton, ON L9T 2X6 Canada	Yes
Sylvia Poss	5175 Derry Road Milton, ON L2T 2X6 Canada	Yes
John Risley	757 Bedford Highway Bedford, NS B4A 3Z7 Canada	Yes

5. Method of amalgamation, check A or B  
*Méthode choisie pour la fusion – Cocher A ou B :*

**A - Amalgamation Agreement / Convention de fusion :**



The amalgamation agreement has been duly adopted by the shareholders of each of the amalgamating corporations as required by subsection 176 (4) of the *Business Corporations Act* on the date set out below.  
*Les actionnaires de chaque société qui fusionne ont dûment adopté la convention de fusion conformément au paragraphe 176(4) de la Loi sur les sociétés par actions à la date mentionnée ci-dessous.*

or  
ou

**B - Amalgamation of a holding corporation and one or more of its subsidiaries or amalgamation of subsidiaries / Fusion d'une société mère avec une ou plusieurs de ses filiales ou fusion de filiales :**



The amalgamation has been approved by the directors of each amalgamating corporation by a resolution as required by section 177 of the *Business Corporations Act* on the date set out below.  
*Les administrateurs de chaque société qui fusionne ont approuvé la fusion par voie de résolution conformément à l'article 177 de la Loi sur les sociétés par actions à la date mentionnée ci-dessous.*

The articles of amalgamation in substance contain the provisions of the articles of incorporation of  
*Les statuts de fusion reprennent essentiellement les dispositions des statuts constitutifs de*

and are more particularly set out in these articles.  
*et sont énoncés textuellement aux présents statuts.*

Names of amalgamating corporations <i>Dénomination sociale des sociétés qui fusionnent</i>	Ontario Corporation Number <i>Numéro de la société en Ontario</i>	Date of Adoption/Approval <i>Date d'adoption ou d'approbation</i>		
		Year <i>année</i>	Month <i>mois</i>	Day <i>jour</i>
BPG Inc.	2178726	2011	07	20
BPG IP Holdings Inc.	2198552	2011	07	20
BPG Recreational Inc.	2253718	2011	07	20

6. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.  
*Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la société.*

None.

7. The classes and any maximum number of shares that the corporation is authorized to issue:  
*Catégories et nombre maximal, s'il y a lieu, d'actions que la société est autorisée à émettre :*

1,015,189 Class A Preferred Shares, issuable in series, of which 628,742 Class A Preferred Shares are designated as Class A-1 Preferred Shares and 386,447 Class A Preferred Shares are designated as Class A-2 Preferred Shares;

20,000 Special Voting Preferred Shares; and

an unlimited number of Common Shares.



8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

*Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série :*

See pages 4A to 4X attached.

**PART 1: CLASS A PREFERRED SHARES**

The rights, privileges, restrictions and conditions of the Class A Preferred Shares (the "*Class A Preferred Share Provisions*") are set out below. The Class A Preferred Shares are issuable in series. 628,742 Class A Preferred Shares are designated as Class A-1 Preferred Shares. 386,447 Class A Preferred Shares are designated as Class A-2 Preferred Shares. For purposes of Class A Preferred Share Provisions:

- (a) "*Accruing Dividends*" has the meaning given to it in Section 1.
- (b) "*Additional Common Shares*" means all Common Shares issued (or, pursuant to Section 4(d)(ii), deemed to be issued) by the Corporation after the Class A Preferred Share Issuance Date for the applicable Class A Preferred Shares, other than the following ("*Exempted Securities*"):
  - (i) Common Shares, Options or Convertible Securities issued or deemed issued upon conversion of any of the Class A Preferred Shares or as a dividend or distribution on the Class A Preferred Shares;
  - (ii) Common Shares issued upon conversion of Warrants or any Convertible Securities or Options approved for issuance by the Board of Directors, including the Class A Director;
  - (iii) Common Shares issuable by reason of a share split, share dividend, combination or other similar event;
  - (iv) Common Shares or Options issued or issuable to employees or directors of, or consultants to, the Corporation (or any of its subsidiaries) pursuant to the Corporation's existing option plan or any plan approved by the Board of Directors, including the Class A Director;
  - (v) Common Shares issued or issuable to independent banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors;
  - (vi) Common Shares issued or issuable to suppliers or third party service providers in connection with the provision of goods or services pursuant to transactions approved by the Board of Directors;
  - (vii) Common Shares issued or issuable in connection with technology license, development, OEM, marketing or other similar arrangements or strategic partnerships, in each case approved by the Board of Directors; and
  - (viii) any securities issued upon obtaining approval of the holders of a majority of the Class A Preferred Shares.

- (c) “*Board of Directors*” means the board of directors of the Corporation.
- (d) “*Class A Conversion Price*” has the meaning given to it in Section 4(a).
- (e) “*Class A Director*” has the meaning given to it in Section 3(b).
- (f) “*Class A Liquidation Amount*” means, with respect to a Class A Preferred Share at a particular time, the Initial Price Per Share for such Class A Preferred Share, plus the Class A Return on such Class A Preferred Share at such time.
- (g) “*Class A Preferred Share Issuance Date*” means: (i) in the case of the Class A-1 Preferred Shares, the date on which the first Class A-1 Preferred Share was issued; and (ii) in the case of the Class A-2 Preferred Shares, the date on which the first Class A-2 Preferred Share was issued.
- (h) “*Class A Preferred Shares*” means Class A Preferred Shares in the capital of the Corporation and includes each series of shares of such class, including the Class A-1 Preferred Shares and the Class A-2 Preferred Shares.
- (i) “*Class A Return*” means, at the relevant time for a Class A Preferred Share, the amount equal to 6% per annum, compounded annually, on the Initial Price Per Share of such Class A Preferred Share, less any dividends previously paid on such Class A Preferred Share at such time;
- (j) “*Class A-1 Preferred Shares*” means the series of the Class A Preferred Shares designated as Class A-1 Preferred Shares.
- (k) “*Class A-2 Preferred Shares*” means the series of Class A Preferred Shares designated as Class A-2 Preferred Shares.
- (l) “*Common Shares*” means common shares in the capital of the Corporation.
- (m) “*Conversion Rights*” has the meaning given to it in Section 4.
- (n) “*Conversion Time*” has the meaning given to it in Section 4(c)(i).
- (o) “*Convertible Securities*” means any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Shares, but excluding Options.
- (p) “*Deemed Liquidation Amount*” has the meaning given to it in Section 2(c)(i).
- (q) “*Initial Price Per Share*” means:
  - (i) in respect of the Class A-1 Preferred Shares US\$2.385717; and
  - (ii) in respect of the Class A-2 Preferred Shares US\$2.587681,

in each case as adjusted to reflect the issuance of any Class A Preferred Shares as a dividend or other distribution on the outstanding Class A Preferred Shares, or any subdivision or consolidation of the outstanding Class A Preferred Shares.

- (r) “*Junior Shares*” has the meaning given to it in Section 2(a).
- (s) “*Majority Holders*” means, as of the relevant time of reference, one or more holders of record of Class A Preferred Shares who hold, an aggregate, at least 50% of the outstanding Class A Preferred Shares;
- (t) “*Mandatory Conversion Date*” has the meaning given to it in Section 5(a).
- (u) “*Payment Date*” has the meaning given to it in Section 6(a).
- (v) “*Options*” means rights, options or warrants to subscribe for, purchase or otherwise acquire Common Shares or Convertible Securities.
- (w) “*Qualifying Public Offer*” has the meaning given to it in Section 5(a).
- (x) “*Redemption Trigger Date*” means the seventh anniversary of the Class A Preferred Share Issuance Date for the Class A-1 Preference Shares.
- (y) “*Redemption Notice*” has the meaning given to it in Section 6(a).
- (z) “*Redemption Price*” has the meaning given to it in Section 6(b).
- (aa) “*Warrants*” shall mean the warrants issued in connection with the issuance of the Class A-1 Preferred Shares and Class A-2 Preferred Shares.

## 1. Dividends

From and after the date of the issuance of any Class A-1 Preferred Shares or Class A-2 Preferred Shares, dividends at the rate per annum of 6% of the Initial Price Per Share, compounded annually, shall accrue on each Class A-1 Preferred Share and Class A-2 Preferred Share (the “*Accruing Dividends*”). Accruing Dividends shall accrue from day to day, whether or not earned or declared, and shall be cumulative; *provided however*, that except as set forth in the following sentence of this Section 1 or in Section 2(a), the Corporation shall be under no obligation to pay such Accruing Dividends. The Corporation shall not declare, pay or set aside any dividends on any other shares in the capital of the Corporation (other than dividends on Common Shares payable in Common Shares) unless the holders of the Class A Preferred Shares then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding Class A Preferred Share in an amount at least equal to (i) the amount of the aggregate Accruing Dividends then accrued on such Class A Preferred Shares and not previously paid plus (ii) (A) in the case of a dividend on Common Shares or any class or series of shares that is convertible into Common Shares, that dividend per Class A Preferred Share as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all such shares of such class or series had been converted into Common Shares and (2) the number of Common Shares issuable upon conversion of Class A Preferred Shares, in each case calculated

on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series of shares that is not convertible into Common Shares, at a rate per Class A Preferred Share determined by dividing the amount the dividend payable on each share of such class or series by the original issue price of such share and multiplying such fraction by an amount equal to the Initial Price Per Share of the applicable Class A Preferred Share.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales

(a) Preferential Payments to holders of Class A Preferred Shares

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of Class A Preferred Shares then outstanding shall be entitled to be paid out of the assets available for distribution to its shareholders, before any payment shall be made to the holders of Common Shares or any other class or series of shares ranking junior on liquidation of the Class A Preferred Shares (such Common Shares and other shares being collectively referred to as "*Junior Shares*") by reason of their ownership of such shares, an amount equal to the Class A Liquidation Amount for the applicable Class A Preferred Share. If upon any such liquidation, dissolution or winding up of the Corporation the remaining assets available for distribution to its shareholders shall be insufficient to pay the holders of Class A Preferred Shares and any class or series of shares ranking on liquidation on parity with the Class A Preferred Shares the full amount to which they shall be entitled, the holders of Class A Preferred Shares and any class or series of shares ranking on liquidation on parity with the Class A Preferred Shares shall share ratably in any distribution of the remaining assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(b) Distribution of Remaining Assets

After the payment of all preferential amounts required to be paid to the holders of Class A Preferred Shares and any other class or series of shares in the capital of the Corporation ranking on liquidation senior to the Common Shares, the remaining assets available for distribution to the Corporation's shareholders shall be distributed among the holders of the Class A Preferred Shares, Common Shares and any other series of shares entitled to participate with the Common Shares in the distribution of such remaining assets, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Shares immediately prior to such dissolution, liquidation or winding up of the Corporation.

(c) Deemed Liquidation Events

- (i) The following events shall be deemed to be a liquidation of the Corporation for purposes of this Section 2 (a "*Deemed Liquidation Event*"), unless the Majority Holders elect otherwise by written notice

given to the Corporation at least five days prior to the effective date of any such event:

- (A) an amalgamation of the Corporation with another corporation, or an arrangement, pursuant to which the holders of voting securities of the Corporation immediately prior to the transaction hold, immediately after such transaction, directly or indirectly, less than 50% of the voting power to elect directors of the corporation resulting from the transaction; or
  - (B) the sale, lease, transfer or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, except where such sale, lease, transfer or other disposition is to a wholly-owned subsidiary of the Corporation.
- (ii) Upon the occurrence of a Deemed Liquidation Event, the holders of Class A Preferred Shares shall be paid out of the assets of the Corporation available for distribution to shareholders, in accordance with Sections 2(a) and 2(b).
  - (iii) At least 15 days before the proposed date of a Deemed Liquidation Event (or such shorter period as determined by the Majority Holders), the Corporation shall deliver to the holders of Class A Preferred Shares written notice of the proposed Deemed Liquidation Event stating an estimated payment date, an estimate of the amount to which such holders are entitled and the place where such payments are payable.
  - (iv) The amount paid or distributed to shareholders of the Corporation upon a Deemed Liquidation Event shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board of Directors.

### 3. Voting

- (a) On any matter presented to the shareholders of the Corporation for their action or consideration at any meeting of shareholders of the Corporation (or by written resolution of shareholders in lieu of meeting), each holder of outstanding Class A Preferred Shares shall be entitled to cast the number of votes equal to the number of whole Common Shares into which the Class A Preferred Shares held by such holder are convertible as of the record date for determining shareholders entitled to vote on such matter. Except as provided by law or provided otherwise in these Class A Preferred Share Provisions, holders of Class A Preferred Shares shall vote together with the holders of Common Shares, and with the holders of any

other class or series of shares in the capital of the Corporation, the terms of which so provide, as a single class.

- (b) The holders of record of the Class A Preferred Shares, exclusively and voting together as a separate class, shall be entitled to elect one director of the Corporation (the "*Class A Director*"). If any vacancy in the office of a director occurs among the directors designated by the Majority Holders, the Majority Holders may designate a successor or successors to hold office for the unexpired term of such director whose place is vacant. Any director who is elected or designated by the Majority Holders may be removed during the term of office of such director, whether with or without cause, only by the Majority Holders. For greater certainty, the designation of the Class A Director pursuant to this Section 3(b) shall be subject to any shareholders agreement with respect to the Corporation then in force.
- (c) For purposes of these Class A Preferred Share Provisions, where an action is to be taken by the Majority Holders, in addition to the requirements of applicable law, if any, such action may be taken if the Majority Holders:
  - (i) agree in writing; or
  - (ii) pass a resolution to such effect at a duly constituted meeting of holders of Class A Preferred Shares, voting as a single class.

#### 4. Optional Conversion

The holders of the Class A Preferred Shares shall have conversion rights as follows (the "*Conversion Rights*"):

##### (a) Right to Convert

Each Class A Preferred Share shall be convertible, at the option of the holder of such share, at any time and from time to time, and without the payment of additional consideration by such holder, into such number of fully paid and nonassessable Common Shares as is determined by dividing the Initial Price Per Share of such Class A Preferred Share by the Class A Conversion Price of such Class A Preferred Share in effect at the time of conversion. The "*Class A Conversion Price*" as to any Class A-1 Preferred Shares or Class A-2 Preferred Shares shall initially be equal to the Initial Price Per Share of such Class A-1 Preferred Shares or such Class A-2 Preferred Shares, as the case may be. Such initial Class A Conversion Price, and the rate at which Class A Preferred Shares may be converted into Common Shares, shall be subject to adjustment as provided in this Section 4.

In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Class A Preferred Shares.

##### (b) Fractional Shares

No fractional Common Shares shall be issued upon conversion of the Class A Preferred Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a Common Share as determined in good faith by the Board of Directors. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of Class A Preferred Shares the holder is at the time converting into Common Shares and the aggregate number of Common Shares issuable upon such conversion.

(c) Mechanics of Conversion

- (i) In order for a holder of Class A Preferred Shares to voluntarily convert Class A Preferred Shares into Common Shares, such holder shall surrender the certificate or certificates for such Class A Preferred Shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Class A Preferred Shares (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the Class A Preferred Shares represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for Common Shares to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent of such certificates (or lost certificate affidavit and agreement) and notice (or by the Corporation if the Corporation serves as its own transfer agent) shall be the time of conversion (the "*Conversion Time*"), and the Common Shares issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time, issue and deliver at such office to such holder of Class A Preferred Shares, or to his, her or its nominees, a certificate or certificates for the number of Common Shares to which such holder shall be entitled, together with cash as provided in Section 4(b) in respect of any fraction of a Common Share otherwise issuable upon conversion.
- (ii) The Corporation shall at all times when the Class A Preferred Shares shall be outstanding, reserve and keep available out of its authorized but unissued shares, for the purpose of effecting the conversion of the Class A Preferred Shares, such number of its duly authorized Common Shares as shall from time to time be sufficient to effect the conversion of all



outstanding Class A Preferred Shares; and if at any time the number of authorized but unissued Common Shares shall not be sufficient to effect the conversion of all the then outstanding Class A Preferred Shares, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued Common Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to the Corporation's articles. The Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable Common Shares at such adjusted Class A Conversion Price.

- (iii) All Class A Preferred Shares which shall have been surrendered for conversion as provided in this Section shall no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive Common Shares in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion, and to receive payment of any dividends declared but unpaid thereon. Any Class A Preferred Shares so converted shall be retired and cancelled and shall not be reissued, and the Corporation may from time to time take such appropriate action as may be necessary to reduce the authorized number of Class A Preferred Shares accordingly.
- (iv) Upon any such conversion, no adjustment to the Class A Conversion Price shall be made for any declared but unpaid dividends on the Class A Preferred Shares surrendered for conversion or on the Common Shares delivered upon conversion.
- (v) The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of Common Shares upon conversion of Class A Preferred Shares pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of Common Shares in a name other than that in which the Class A Preferred Shares so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

(d) Adjustments to Class A Conversion Price for Diluting Issues

- (i) No Adjustment of Class A Conversion Price

No adjustment in the Class A Conversion Price shall be made as the result of the issuance of Additional Common Shares if: (a) the consideration per share (determined pursuant to Section 4(d)(iv)) for such Additional Common Shares issued or deemed to be issued by the Corporation is equal to or greater than the applicable Class A Conversion Price in effect immediately prior to the issuance or deemed issuance of such Additional Common Shares, or (b) prior to such issuance or deemed issuance, the Corporation receives written notice from the Majority Holders agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Common Shares.

(ii) Deemed Issue of Additional Common Shares

- (A) If the Corporation at any time or from time to time after the Class A Preferred Share Issuance Date for the applicable Class A Preferred Shares shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities), or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of Common Shares (as set forth in the instrument relating to such Options or Convertible Securities, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained in such Options or Convertible Securities for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options for Convertible Securities, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Common Shares issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.
- (B) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Class A Conversion Price pursuant to the terms of Section 4(d)(iii), are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of Common Shares issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then, effective upon such increase or decrease becoming effective, the Class A Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect to such Option or Convertible Security) shall be

readjusted to such Class A Conversion Price as would have been obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no adjustment pursuant to this Section 4(d)(ii)(B) shall have the effect of increasing the Class A Conversion Price to an amount which exceeds the lower of (i) the Class A Conversion Price on the original adjustment date, or (ii) the Class A Conversion Price that would have resulted from any issuances of Additional Common Shares (other than deemed issuances of Additional Common Shares as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

- (C) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Class A Conversion Price pursuant to the terms of Section 4(d)(iii) (either because the consideration per share of the Additional Common Shares subject to such Option or Convertible Security was equal to or greater than the Class A Conversion Price then in effect, or because such Option or Convertible Security was issued before the Class A Preferred Share Issuance Date for the applicable Class A Preferred Shares), are revised after the Class A Preferred Share Issuance Date for the applicable Class A Preferred Shares pursuant to the provisions contained in such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) or as a result of an amendment to such terms to provide for either (1) any increase in the number of Common Shares issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended, and the Additional Common Shares subject to such instrument (determined in the manner provided in Section 4(d)(ii)(A)) shall be deemed to have been issued effective upon such increase or decrease becoming effective. If the change in such Option or Convertible Security causes an adjustment pursuant to this provision and such Option or Convertible Security is then further changed as a result of the adjustments made pursuant to this provision, no further adjustment shall be made hereunder as a result of the further automatic change in such Option or Convertible Security.
- (D) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security which resulted (either upon its original issuance or upon a revision of its terms) in

an adjustment to the Class A Conversion Price pursuant to the terms of Section 4(d)(iii), the Class A Conversion Price shall be readjusted to such Class A Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(iii) Adjustment of Class A Conversion Price Upon Issuance of Additional Common Shares

In the event the Corporation shall at any time after the Class A Preferred Share Issuance Date for the applicable Class A Preferred Shares issue Additional Common Shares (including Additional Common Shares deemed to be issued pursuant to Section 4(d)(ii)), without consideration or for a consideration per share less than the applicable Class A Conversion Price in effect immediately prior to such issue, then the appropriate Class A Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C)$$

For purposes of the foregoing formula, the following definitions shall apply:

- (A) "CP2" shall mean the appropriate Class A Conversion Price in effect immediately after such issue of Additional Common Shares
- (B) "CP1" shall mean the appropriate Class A Conversion Price in effect immediately prior to such issue of Additional Common Shares;
- (C) "A" shall mean the number of Common Shares outstanding immediately prior to such issue of Additional Common Shares (treating for this purpose as outstanding all Common Shares issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion of Convertible Securities (including the Class A Preferred Shares) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);
- (D) "B" shall mean the number of Common Shares that would have been issued if such Additional Common Shares had been issued at a price per share equal to CP1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP1); and
- (E) "C" shall mean the number of such Additional Common Shares issued in such transaction.

(iv) Determination of Consideration

For purposes of this Section 4(d), the consideration received by the Corporation for the issue of any Additional Common Shares shall be computed as follows:

- (A) Cash and Property. Such consideration shall:
- (1) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;
  - (2) insofar as it consists of property other than cash, be computed at the fair market value of such property at the time of such issue, as determined in good faith by the Board of Directors; and
  - (3) in the event Additional Common Shares are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in Sections 4(d)(iv)(A)(1) and 4(d)(iv)(A)(2), as determined in good faith by the Board of Directors.
- (B) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Common Shares deemed to have been issued pursuant to Section 4(d)(ii), relating to Options and Convertible Securities, shall be determined by dividing:
- (1) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating to such Options or Convertible Securities, without regard to any provision contained in such instruments for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by
  - (2) the maximum number of Common Shares (as set forth in the instruments relating to such Options or Convertible Securities, without regard to any provision contained in such instruments for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or

in the case of Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

(v) Multiple Closing Dates

In the event the Corporation shall issue on more than one date Additional Common Shares that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Class A Conversion Price pursuant to the terms of Section 4(d)(iii), and such issuance dates occur within a period of no more than 60 days from the first such issuance to the final such issuance, then, upon the final such issuance, the Class A Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without additional giving effect to any adjustments as a result of any subsequent issuances within such period).

(e) Adjustment for Share Splits and Combinations

If the Corporation shall at any time or from time to time after the Class A Preferred Share Issuance Date for the applicable Class A Preferred Shares effect a subdivision of the outstanding Common Shares without a comparable subdivision of the Class A Preferred Shares or combine the outstanding Class A Preferred Shares without a comparable combination of the Common Shares, the Class A Conversion Price in effect immediately before that subdivision or combination shall be proportionately decreased so that the number of Common Shares issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of Common Shares outstanding. If the Corporation shall at any time or from time to time after the Class A Preferred Share Issuance Date for the applicable Class A Preferred Shares combine the Common Shares without a comparable combination of the Class A Preferred Shares or effect a subdivision of the outstanding Class A Preferred Shares without a comparable subdivision of the Common Shares, the Class A Conversion Price in effect immediately before the combination or subdivision shall be proportionately increased so that the number of Common Shares issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of Common Shares outstanding. Any adjustment under this Section 4(e) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(f) Adjustment for Certain Dividends and Distributions

In the event the Corporation at any time or from time to time after the Class A Preferred Share Issuance Date for the applicable Class A Preferred Shares shall make or issue, or fix a record date for the determination of holders of Common Shares entitled to receive, a dividend or other distribution payable on the Common Shares in Additional Common Shares, then and in each such event the Class A Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Class A Conversion Price then in effect by a fraction:

- (i) the numerator of which shall be the total number of Common Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and
- (ii) the denominator of which shall be the total number of Common Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of Common Shares issuable in payment of such dividend or distribution;

*provided, however*, that if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed for such distribution, the Class A Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Class A Conversion Price shall be adjusted pursuant to this Section as of the time of actual payment of such dividends or distributions; and *provided further, however*, that no such adjustment shall be made if the holders of Class A Preferred Shares simultaneously receive (A) a dividend or other distribution of Common Shares in a number equal to the number of Common Shares as they would have received if all outstanding Class A Preferred Shares had been converted into Common Shares on the date of such event or (B) a dividend or other distribution of Class A Preferred Shares which are convertible, as of the date of such event, into such number of Common Shares as is equal to the number of Additional Common Shares being issued with respect to each Common Share in such dividend or distribution.

(g) Adjustments for Other Dividends and Distributions

In the event the Corporation at any time or from time to time after the Class A Preferred Share Issuance for the applicable Class A Preferred Shares shall make or issue, or fix a record date for the determination of holders of shares in the capital of the Corporation entitled to receive, a dividend or other distribution payable in shares in the capital of the Corporation (other than a distribution of Common Shares in respect of outstanding Common Shares) or in other property and the provisions of Section 4(f) do not apply to such dividend or distribution, then and in each such event the holders of Class A Preferred Shares shall receive, simultaneously with the distribution to the holders of such shares, a dividend or other distribution of such shares or other property in an amount equal to the amount of such shares or other property as they would have received if all outstanding Class A Preferred Shares had been converted into Common Shares on the date of such event.

(h) Adjustment for Amalgamation, Arrangement, etc.

Subject to the provisions of Section 2(c), if there shall occur any amalgamation, arrangement or other transaction or series of related transactions resulting in the combination of the Corporation with another entity, in which the Common Shares (but not the Class A Preferred Shares) are converted into or exchanged for shares, cash or other property (other than a transaction covered by Section 4(e), 4(f) or 4(g), then, following any such amalgamation, arrangement or other transaction or series of transactions resulting in the combination of the Corporation with another entity, each Class A Preferred Share shall thereafter be convertible in lieu of the Common Shares into which it was convertible prior to such event into the kind and amount of shares, cash or other property which a holder of the number of Common Shares of the

Corporation issuable upon conversion of one Class A Preferred Share immediately prior to such amalgamation, arrangement or other transaction or series of related transactions resulting in the combination of the Corporation with another entity would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Class A Preferred Shares, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Class A Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Class A Preferred Shares.

(i) Certificate as to Adjustments

Upon the occurrence of each adjustment or readjustment of the Class A Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than 20 days thereafter, compute such adjustment or readjustment in accordance with the terms of this Section 4 and furnish to each holder of Class A Preferred Shares a certificate setting forth such adjustment or readjustment (including the kind and amount of shares, cash or other property into which the Class A Preferred Shares are convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Class A Preferred Shares (but in any event not later than 10 days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Class A Conversion Price then in effect, and (ii) the number of Common Shares and the amount, if any, of other shares, cash or property which then would be received upon the conversion of Class A Preferred Shares.

(j) Notice of Record Date

In the event:

- (i) the Corporation shall take a record of the holders of its Common Shares (or other shares or securities at the time issuable upon conversion of the Class A Preferred Shares) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of any class or any other securities, or to receive any other right; or
- (ii) of any capital reorganization of the Corporation, any reclassification of the Common Shares of the Corporation, or any Deemed Liquidation Event; or
- (iii) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Class A Preferred Shares a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such amalgamation, arrangement, transfer, dissolution,



liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Shares (or such other shares or securities at the time issuable upon the conversion of the Class A Preferred Shares) shall be entitled to exchange their Common Shares (or such other shares or securities) for shares or other property deliverable upon such amalgamation, arrangement, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Class A Preferred Shares and the Common Shares. Such notice shall be sent at least 14 days prior to the record date or effective date for the event specified in such notice. Any notice required by the provisions of this Section to be given to a holder of Class A Preferred Shares shall be deemed sent to such holder if deposited in the Canada mail, postage prepaid, and addressed to such holder at his, her or its address appearing on the books of the Corporation.

5. Mandatory Conversion

- (a) Upon the earlier of (i) the closing of the sale of Common Shares to the public in a firm-commitment underwritten public offering, resulting in at least US\$35,000,000 of gross proceeds to the Corporation (a "*Qualifying Public Offering*") or (ii) the date and time, or the occurrence of an event, specified by vote or written resolution of the holders of at least 66 $\frac{2}{3}$ % of the then outstanding Class A Preferred Shares (the "*Mandatory Conversion Date*"): (A) all outstanding Class A Preferred Shares shall automatically be converted into Common Shares, at the then effective conversion rate and (B) such shares may not be reissued by the Corporation.
- (b) All holders of record of Class A Preferred Shares shall be given written notice of the Mandatory Conversion Date and the place designated for mandatory conversion of all such Class A Preferred Shares pursuant to this Section 5. Such notice need not be given in advance of the occurrence of the Mandatory Conversion Date. Upon receipt of such notice, each holder of Class A Preferred Shares shall surrender his, her or its certificate or certificates for all such shares to the Corporation at the place designated in such notice, and shall thereafter receive certificates for the number of Common Shares to which such holder is entitled pursuant to these Class A Preferred Share Provisions. On the Mandatory Conversion Date, all outstanding Class A Preferred Shares shall be deemed to have been converted into Common Shares, which shall be deemed to be outstanding of record, and all rights with respect to the Class A Preferred Shares so converted, including the rights, if any, to receive notices and vote (other than as a holder of Common Shares), will terminate, except for the rights of the holders of such shares, upon surrender of their certificate or certificates for the shares, to receive certificates for the number of Common Shares into which such Class A Preferred Shares have been converted, and payment of any declared but unpaid dividends on such shares. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. As soon as practicable after the Mandatory Conversion Date and the surrender of the certificate or certificates for Class A Preferred Shares, the

Corporation shall cause to be issued and delivered to such holder, or on his, her or its written order, a certificate or certificates for the number of full Common Shares issuable on such conversion in accordance with the provisions hereof and cash as provided in Section 4(b) in respect of any fraction of a Common Share otherwise issuable upon such conversion.

- (c) All certificates evidencing Class A Preferred Shares which are required to be surrendered for conversion in accordance with the provisions of this Section 5 shall, from and after the Mandatory Conversion Date, be deemed to have been retired and cancelled and the Class A Preferred Shares represented thereby converted into Common Shares for all purposes, notwithstanding the failure of the holder or holders of such shares to surrender such certificates on or prior to such date. Such converted Class A Preferred Shares may not be reissued, and the Corporation may thereafter take such appropriate action (without the need for shareholder action) as may be necessary to reduce the authorized number of Class A Preferred Shares accordingly.

6. Redemption

(a) Mandatory Redemption

If the Corporation receives a written request (a "*Redemption Notice*") from the Majority Holders, on or after the Redemption Trigger Date requesting the redemption of all (but not less than all) of the Class A Preferred Shares on the date requested for such redemption (the "*Payment Date*"), which shall be at least 60 days following the date of delivery of the Redemption Notice, the Corporation will, subject to Section 6(c), redeem all the preferred shares.

(b) Redemption Price

The price payable per share to the holders of the Class A Preferred Shares upon a redemption of the Class A Preferred Shares (the "*Redemption Price*") is equal to the Class A Liquidation Amount.

(c) Insufficient Funds

If the funds of the Corporation legally available for redemption of the Class A Preferred Shares are insufficient to redeem the total number of Class A Preferred Shares outstanding, those funds that are legally available will be used to redeem the maximum possible number of whole shares rateably among the holders of the Class A Preferred Shares. The Class A Preferred Shares not redeemed remain outstanding and remain entitled to all rights and preferences otherwise provided in these Class A Preferred Share Provisions. As and when funds legally available for redemption of Class A Preferred Shares subsequently become available, those funds will be used to redeem the maximum possible number of whole shares rateably among the holders of Class A Preferred Shares.

(d) Redemption Mechanics

- (i) Within 20 days following the date the Corporation receives the Redemption Notice, the Corporation will deliver to each holder of Class A Preferred Shares a written notice setting out: (A) that a Redemption Notice has been received; (B) the Redemption Price; (C) the aggregate funds legally available for redemption of the Class A Preferred Shares; (D) the number of Class A Preferred Shares of such holder that the Corporation may redeem with such legally available funds; (E) the Payment Date; (F) that such number of Class A Preferred Shares that may be redeemed with such legally available funds shall be redeemed by the Corporation on the Payment Date; and (G) the place at which payment may be obtained by surrendering to the Corporation, in the manner and at the place designated, such holder's certificate or certificates representing the Class A Preferred Shares to be redeemed from such holder.
- (ii) Upon delivery of the certificate or certificates representing the Class A Preferred Shares being redeemed, and upon transfer of such Class A Preferred Shares by such holder to the Corporation free and clear of all adverse charges whatsoever (other than those imposed by applicable securities laws), in each case, on or before the Payment Date, the Corporation shall redeem from such holder on the Payment Date such holder's Class A Preferred Shares, by paying to such holder (in priority to and in preference to the Junior Shares) an amount equal to the number of Class A Preferred Shares redeemed from such holder multiplied by the Redemption Price.
- (iii) Subject to Section 6(c), from and after the Payment Date, unless there shall have been a default in payment of the Redemption Price (other than for failure by a holder of Class A Preferred Shares to transfer the share certificate or certificates in respect of its Class A Preferred Shares free and clear of adverse charges), all rights of each holder, except the right to receive the Redemption Price without interest upon surrender of such holder's certificate or certificates, shall cease with respect to such Class A Preferred Shares, and such Class A Preferred Shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purposes whatsoever.

## PART 2: SPECIAL VOTING PREFERRED SHARES

The rights, privileges, restrictions and conditions of the Special Voting Preferred Shares are set out below. The Corporation is authorized to issue 20,000 Special Voting Preferred Shares. Upon the redemption of the 20,000 Special Voting Preferred Shares outstanding as of the date hereof, the Special Voting Preferred Shares shall be deleted and removed from the authorized capital of the Corporation.

### 1. Definitions

With respect to the Special Voting Preferred Shares, the following term shall have the meaning ascribed to it below:

*“Redemption Amount”* of a Special Voting Preferred Share means the consideration received upon the issue of the first of such Special Voting Preferred Shares to be issued, as may be adjusted from time to time pursuant to the agreement under which such Special Voting Preferred Share was issued.

### 2. Ranking

The Special Voting Preferred Shares shall rank junior to the Class A Preferred Shares and any other class or series ranking senior to the Special Voting Preferred Shares with respect to the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs. The Special Voting Preferred Shares shall rank senior to the Common Shares with respect to the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

### 3. Dividends

Each Special Voting Preferred Share shall entitle the holder thereof to receive for each fiscal year of the Corporation, when, as and if declared by the board of directors of the Corporation, out of the monies of the Corporation properly applicable to the payment of dividends, a non-cumulative cash dividend computed at a floating annual rate no less than 0% and not to exceed the sum of 1% above the Prime Rate multiplied by the Redemption Amount. In this section, the term *“Prime Rate”* for any period shall mean the prime rate of interest per annum as announced by The Royal Bank of Canada (or any successor thereto) for Canadian dollar loans made in Canada determined as of 11:00 a.m. (Toronto time) on the last business day of the month immediately preceding the date of the declaration of the said dividend. The holders of the Special Voting Preferred Shares shall not be entitled to any dividends other than or in excess of such non-cumulative cash dividend hereinbefore provided for. No dividends will in the future be declared on any other classes of shares of the Corporation in such amounts as would result in the Corporation having insufficient assets to enable it to redeem the Special Voting Preferred Shares which are then issued and outstanding.

### 4. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Special Voting Preferred Shares shall be entitled to receive, after distribution of all required amounts to holders of the Class A Preferred Shares and any other class or series of shares ranking senior to the Special Voting Preferred Shares and before any distribution of any part of the assets of the Corporation among the holders of Common Shares and any other class of shares of the Corporation ranking junior to the Special Voting Preferred Shares, an amount equal to the Redemption Amount. After payment to the holders of the Special Voting Preferred Shares of the amount so payable to such holders as herein provided, those holders shall not be entitled to share in any further distribution of the property or assets of the Corporation.

5. Voting Rights

- (a) Each holder of Special Voting Preferred Shares is entitled to:
  - (i) receive notice of and to attend all meetings of shareholders of the Corporation, except meetings at which only the holders of a specified class of shares (other than the Special Voting Preferred Shares) or a specified series of shares are entitled to attend; and
  - (ii) vote on all matters submitted to a vote or consent of shareholders of the Corporation, except matters upon which only the holders of a specified class of shares (other than the Special Voting Preferred Shares) or a specified series of shares are entitled to vote.
- (b) The holders of Special Voting Preferred Shares shall not be entitled to vote separately as a class upon, are not entitled to dissent in respect of, any proposal to amend the articles of the Corporation to:
  - (i) increase or decrease any maximum number of authorized shares of such class, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the shares of such class;
  - (ii) effect an exchange, reclassification or cancellation of the shares of such class or series; or
  - (iii) create a new class or series of shares equal or superior to the shares of such class.
- (c) Each Special Voting Preferred Share entitles the holder to 30 votes per share.

6. Redemption at the Option of the Corporation

- (a) Subject to applicable law, the Corporation shall, at its option, be entitled to redeem at any time or times all or any part of the Special Voting Preferred Shares registered in the name of any holder of any such Special Voting Preferred Shares on the books of the Corporation with or

without the consent of such holder by giving notice in writing to such holder, (unless such notice is waived by the holder) specifying:

(i) that the Corporation desires to redeem all or any part of the Special Voting Preferred Shares registered in the name of such holder;

(ii) if part only of the Special Voting Preferred Shares registered in the name of such holder is to be redeemed, the number thereof to be so redeemed;

(iii) the Redemption Amount;

(iv) the business day (in this Section referred to as the "*Redemption Date*") on which the Corporation desires to redeem such Special Voting Preferred Shares. The Redemption Date shall be the date that is one day after the date on which the notice is given by the Corporation or such other date as the Corporation and such holder may agree; and

(v) the place of redemption.

(b) The Corporation shall, on the Redemption Date, subject to Section 7 of this Part III, redeem such Special Voting Preferred Shares by paying to such holder an amount equal to the aggregate Redemption Amount (less any tax required to be withheld by the Corporation) on presentation and surrender of the certificate(s) for the Special Voting Preferred Shares so called for redemption at such place as may be specified in such notice. The certificate(s) for such Special Voting Preferred Shares shall thereupon be cancelled and the Special Voting Preferred Shares represented thereby shall thereupon be redeemed. Payment of the aggregate Redemption Amount for the Special Voting Preferred Shares to be redeemed shall be made, at the option of the Corporation, (i) by delivery to such holder of a cheque of the Corporation payable at par at any branch in Canada of the Corporation's bankers; (ii) by wire transfer by the Corporation to the holder of the Special Voting Preferred Shares; or (iii) by a demand note with a principal amount equal to the aggregate Redemption Amount for the Special Voting Preferred Shares to be redeemed (less any tax required to be withheld by the Corporation). From and after the Redemption Date, such Special Voting Preferred Shares shall cease to be entitled to dividends and the holder thereof shall not be entitled to exercise any of the rights of holders of Special Voting Preferred Shares in respect thereof unless payment of the Redemption Amount is not made on the Redemption Date, or on presentation and surrender of the certificate(s) for the Special Voting Preferred Shares so called for redemption, whichever is later, in which case the rights of the holder of the Special Voting Preferred Shares shall remain unaffected until payment in full of the Redemption Amount.

(c) Where at any time, some, but not all, of such Special Voting Preferred Shares are to be redeemed, the Special Voting Preferred Shares to be redeemed shall be selected by lot in such manner as the board of directors determines, or as nearly as may be in proportion to the number of Special Voting Preferred Shares registered in the name of each holder, or in such other manner as the board of directors determines.

#### 7. Redemption at the Option of the Holder

(a) Subject to any applicable law, a holder of any Special Voting Preferred Shares shall be entitled to require the Corporation to redeem at any time or times any Special Voting Preferred Shares registered in the name of such holder on the books of the Corporation by tendering to the Corporation at its registered office a share certificate representing the Special Voting Preferred Shares which the holder desires to have the Corporation redeem together with a request in writing (in this Section referred to as a "Redemption Demand") specifying:

(i) that the holder desires to have the Special Voting Preferred Shares represented by such certificate redeemed by the Corporation;

(ii) if part only of the Special Voting Preferred Shares registered in the name of such holder is to be redeemed, that number thereof to be so redeemed; and

(iii) the business day (in this Section referred to as the "*Redemption Date*") on which the holder desires to have the Corporation redeem such Special Voting Preferred Shares. The Redemption Demand shall specify a Redemption Date which shall redeem such Special Voting Preferred Shares. The Redemption Demand shall specify a Redemption Date which shall not be less than one day after the date on which the Redemption Demand is tendered to the Corporation or such other date as the holder and the Corporation may agree.

(b) Subject to any applicable law, the Corporation shall, on such Redemption Date, redeem all Special Voting Preferred Shares required to be redeemed by paying to such holder an amount equal to the aggregate Redemption Amount therefor on presentation and surrender of the certificate(s) for the Special Voting Preferred Shares to be so redeemed at the registered office of the Corporation (less any tax required to be withheld by the Corporation). The certificate(s) for such Special Voting Preferred Shares shall thereupon be cancelled and the Special Voting Preferred Shares represented thereby shall thereupon be redeemed. Such payment shall be made by delivery to such holder of a cheque in the amount of, or at the option of the Corporation, a demand note with a principal amount equal to the aggregate Redemption Amount for the Special Voting Preferred Shares to be redeemed (less any tax required to be withheld by the Corporation). From and after the Redemption Date, such Special Voting Preferred Shares shall cease to be entitled to dividends and the holder thereof shall not be entitled to exercise any of the rights of holders of Special Voting Preferred Shares in respect thereof unless payment of the said Redemption Amount is not made on the Redemption Date, in which case the rights of the holder of the Special Voting Preferred Shares shall remain unaffected until payment in full of the Redemption Amount.

#### 8. Partial Repayment

If fewer than all Special Voting Preferred Shares represented by a certificate are redeemed, the holder shall be entitled to receive, at the expense of the Corporation, a new certificate representing the Special Voting Preferred Shares which have not been redeemed.

#### 9. Notices

Any notice, cheque or other communication from the Corporation herein provided for shall be sent to the holders of the Special Voting Preferred Shares by ordinary unregistered mail, postage prepaid, or delivered by hand to such holders, at their respective addresses appearing on the

securities register of the Corporation or, in the event of the address of any such holder not so appearing, then at the last known address to the Corporation of such holder. Accidental failure to give any such notice or other communication to one or more holders of Special Voting Preferred Shares shall not affect the validity thereof, but, upon such failure being discovered, a copy of the notice or other communication shall be sent or delivered forthwith to such holder or holders. Any notice or other communication from the Corporation to the holders of the Special Voting Preferred Shares may be waived.



### PART 3: COMMON SHARES

The rights, privileges, restrictions and conditions of the Common Shares are set out below. The Corporation is authorized to issue an unlimited number of Common Shares.

#### 1. Voting Rights.

- (a) Each holder of Common Shares is entitled to:
  - (i) receive notice of and to attend all meetings of shareholders of the Corporation, except meetings at which only the holders of a specified class of shares (other than the Common Shares) or a specified series of shares are entitled to attend; and
  - (ii) vote on all matters submitted to a vote or consent of shareholders of the Corporation, except matters upon which only the holders of a specified class of shares (other than the Common Shares) or a specified series of shares are entitled to vote.
- (b) The holders of Common Shares shall not be entitled to vote separately as a class upon, are not entitled to dissent in respect of, any proposal to amend the articles of the Corporation to:
  - (i) increase or decrease any maximum number of authorized shares of such class, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the shares of such class;
  - (ii) effect an exchange, reclassification or cancellation of the shares of such class or series; or
  - (iii) create a new class or series of shares equal or superior to the shares of such class.

#### 2. Dividends

The holders of Common Shares shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares of the Corporation, to receive dividends if, as and when declared by the board of directors of the Corporation.

#### 3. Liquidation, Dissolution or Winding-up

The holders of the Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares of the Corporation, to receive the remaining property of the Corporation on a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.

9. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:  
*L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes :*

**The shares of the Corporation shall be subject to the restriction on transfer of securities set out under Other provisions.**

10. Other provisions, (if any):  
*Autres dispositions, s'il y a lieu :*

**(a) The securities of the Corporation, other than non-convertible debt securities, shall not be transferred without the approval of the board of directors or of the holder or holders of more than 50% of the voting shares of the Corporation, to be evidenced in either case by a resolution of such directors or shareholders.**

**(b) Two or more classes of shares or two or more series within a class of shares may have the same rights, privileges, restrictions and conditions.**

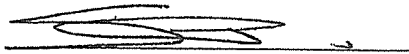
11. The statements required by subsection 178(2) of the *Business Corporations Act* are attached as Schedule "A".  
*Les déclarations exigées aux termes du paragraphe 178(2) de la Loi sur les sociétés par actions constituent l'annexe A.*

12. A copy of the amalgamation agreement or directors' resolutions (as the case may be) is/are attached as Schedule "B".  
*Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe B.*

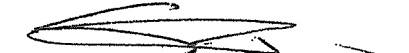
These articles are signed in duplicate.  
*Les présents statuts sont signés en double exemplaire.*

Name and original signature of a director or authorized signing officer of each of the amalgamating corporations. Include the name of each corporation, the signatories name and description of office (e.g. president, secretary). Only a director or authorized signing officer can sign on behalf of the corporation. / *Nom et signature originale d'un administrateur ou d'un signataire autorisé de chaque société qui fusionne. Indiquer la dénomination sociale de chaque société, le nom du signataire et sa fonction (p. ex. : président, secrétaire). Seul un administrateur ou un dirigeant habilité peut signer au nom de la société.*

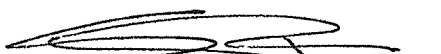
**BPG INC.**

Names of Corporations / <i>Dénomination sociale des sociétés</i>		
By / <i>Par</i>		
	<u>Sylvia Poss</u>	Vice-President
Signature / <i>Signature</i>	Print name of signatory / <i>Nom du signataire en lettres moulées</i>	Description of Office / <i>Fonction</i>

**BPG IP HOLDINGS INC.**

Names of Corporations / <i>Dénomination sociale des sociétés</i>		
By / <i>Par</i>		
	<u>Sylvia Poss</u>	Vice-President
Signature / <i>Signature</i>	Print name of signatory / <i>Nom du signataire en lettres moulées</i>	Description of Office / <i>Fonction</i>

**BPG RECREATIONAL INC.**

Names of Corporations / <i>Dénomination sociale des sociétés</i>		
By / <i>Par</i>		
	<u>Sylvia Poss</u>	Director
Signature / <i>Signature</i>	Print name of signatory / <i>Nom du signataire en lettres moulées</i>	Description of Office / <i>Fonction</i>

Names of Corporations / <i>Dénomination sociale des sociétés</i>		
By / <i>Par</i>		
_____ Signature / <i>Signature</i>	_____ Print name of signatory / <i>Nom du signataire en lettres moulées</i>	_____ Description of Office / <i>Fonction</i>

Names of Corporations / <i>Dénomination sociale des sociétés</i>		
By / <i>Par</i>		
_____ Signature / <i>Signature</i>	_____ Print name of signatory / <i>Nom du signataire en lettres moulées</i>	_____ Description of Office / <i>Fonction</i>

**SCHEDULE "A"**

**STATEMENT OF DIRECTOR OR OFFICER**

I, Benjamin J. Poss Gulak, of the City of Milton, in the Province of Ontario, solemnly state that:

1. I am the director, President and Secretary of BPG Inc., one of the amalgamating corporations (the "Corporation") and as such have personal knowledge of the matters herein deposed to.
2. There are reasonable grounds for believing that:
  - (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due;
  - (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and
  - (c) no creditor of the Corporation will be prejudiced by the amalgamation.

**DATED** July 20, 2011

  
**BENJAMIN J. POSS GULAK**

**SCHEDULE "A"**

**STATEMENT OF DIRECTOR OR OFFICER**

I, Benjamin J. Poss Gulak, of the City of Milton, in the Province of Ontario, solemnly state that:

1. I am the director, President and Secretary of BPG IP Holdings Inc., one of the amalgamating corporations (the "Corporation") and as such have personal knowledge of the matters herein deposed to.
2. There are reasonable grounds for believing that:
  - (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due;
  - (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and
  - (c) no creditor of the Corporation will be prejudiced by the amalgamation.

**DATED** July 20, 2011



**BENJAMIN J. POSS GULAK**

**SCHEDULE "A"**

**STATEMENT OF DIRECTOR OR OFFICER**

I, Benjamin J. Poss Gulak, of the City of Milton, in the Province of Ontario, solemnly state that:

3. I am the director, President and Secretary of BPG Recreational Inc., one of the amalgamating corporations (the "Corporation") and as such have personal knowledge of the matters herein deposed to.
4. There are reasonable grounds for believing that:
  - (a) the Corporation is and the amalgamated corporation will be able to pay its liabilities as they become due;
  - (b) the realizable value of the assets of the amalgamated corporation will not be less than the aggregate of its liabilities and stated capital of all classes; and
  - (c) no creditor of the Corporation will be prejudiced by the amalgamation.

DATED July 20, 2011

  
BENJAMIN J. POSS GULAK

SCHEDULE "B"

EXECUTION VERSION

THIS AMALGAMATION AGREEMENT is made July 21, 2011

**BETWEEN:**

BPG INC., a corporation governed by the *Business Corporations Act* (Ontario),

("BPG")

- and -

BPG IP HOLDINGS INC., a corporation governed by the *Business Corporations Act* (Ontario),

("BPG IP")

- and -

BPG RECREATIONAL INC., a corporation governed by the *Business Corporations Act* (Ontario),

("BPG Recreational")

**RECITALS:**

- A. BPG was incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario) by the Certificate and Articles of Incorporation dated July 10, 2008 and its authorized capital consists of an unlimited number of common shares of which 91,984 common shares have been issued and are currently outstanding.
- B. BPG IP was incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario) by the Certificate and Articles of Incorporation dated February 20, 2009 and its authorized capital consists of an unlimited number of common shares of which 100 have been issued and are currently outstanding.
- C. BPG Recreational was incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario) by the Certificate and Articles of Incorporation dated August 16, 2010 and its authorized capital consists of an unlimited number of Common Shares

and an unlimited number of Special Non-Voting Preferred Shares of which 1,077,167 Common Shares have been issued and are currently outstanding and 20,000 Special Non-Voting Preferred Shares have been issued and are currently outstanding.

- D. The Parties to this Agreement, having made full disclosure each to the other of all their respective assets and liabilities, have determined that it is desirable that their amalgamation should be effected and, acting under the authority contained in the *Business Corporations Act* (Ontario), have agreed to amalgamate and continue as one corporation upon the terms and conditions set out in this Agreement.

**THEREFORE**, the Parties agree as follows:

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Definitions**

Whenever used in this Agreement, the following terms shall have the respective meanings ascribed to them as follows:

- (a) "Act" means the *Business Corporations Act* (Ontario) as amended from time to time and includes any regulations made pursuant to such Act and any term defined in the Act and not otherwise defined herein is used in this Agreement with the same meaning;
- (b) "Board" means the board of directors of the Corporation, it being understood that references herein to matters to be decided by the Board shall not be in derogation of the rights of the Board pursuant to the provisions of Section 127 of the Act;
- (c) "Class A-1 Preferred Share" means a Class A Preferred Share in the capital of the Corporation designated as a Class A-1 Preferred Share;
- (d) "Class A-2 Preferred Share" means a Class A Preferred Share in the capital of the Corporation designated as a Class A-2 Preferred Share;



- (e) "Common Share" means a Common Share in the capital of the Corporation;
- (f) "Corporation" means the corporation continuing from the amalgamation of the Parties hereto;
- (g) "Parties" means BPG, BPG IP and BPG Recreational collectively, and "Party" means any one of them;
- (h) "Special Non-Voting Preferred Share" means a Special Non-Voting Preferred Share in the capital of BPG Recreational.
- (i) "Special Voting Preferred Share" means a Special Voting Preferred Share in the capital of the Corporation.

## ARTICLE 2 IMPLEMENTATION

### 2.1 Effective Date

BPG, BPG IP and BPG Recreational shall amalgamate under the provisions of the Act effective July 21, 2011 and shall continue as one corporation upon the terms and conditions set out in this Agreement. Subject to Section 2.3, articles of amalgamation in prescribed form shall be sent to the Director under the Act, together with all other documents necessary to bring the amalgamation into effect.

### 2.2 Effect

Upon the amalgamation of BPG, BPG IP and BPG Recreational and their continuance as one corporation becoming effective:

- (a) the Corporation shall possess all the property, rights, privileges and franchises and shall be subject to all liabilities; including civil, criminal and quasi-criminal and all contracts, liabilities and debts of each of BPG, BPG IP and BPG Recreational;

- (b) a conviction against, or ruling, order or judgment in favour or against any of BPG, BPG IP or BPG Recreational may be enforced by or against the Corporation;
- (c) the Corporation shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against BPG, BPG IP or BPG Recreational before the amalgamation has become effective; and
- (d) except for the purposes specified in the Act, the Corporation's articles of amalgamation shall be deemed to be its articles of incorporation and the Corporation's certificate of amalgamation shall be deemed to be its certificate of incorporation.

### **2.3 Termination**

Notwithstanding the approval of this Agreement by their shareholders, the board of directors of BPG, BPG IP or BPG Recreational, without further shareholder approval, may terminate the amalgamation and this Agreement at any time before the issuance of a certificate of amalgamation.

## **ARTICLE 3 ORGANIZATION**

### **3.1 Name**

The name of the Corporation shall be BPG Recreational Inc.

### **3.2 Authorized Capital**

The Corporation is authorized to issue: (a) 1,015,189 Class A Preferred Shares, issuable in series, of which 628,742 Class A Preferred Shares are designated as Class A-1 Preferred Shares and 386,447 Class A Preferred Shares are designated as Class A-2 Preferred Shares; (b) 20,000 Special Voting Preferred Shares; and (c) an unlimited number of Common Shares. The rights, privileges, restrictions and conditions of the Class A Preferred Shares (including the Class A-1

Preferred Shares and the Class A-2 Preferred Shares), the Special Voting Preferred Shares and the Common Shares, respectively, are set out in Schedule A.

### **3.3 Restriction on Share Transfers**

The shares of the Corporation shall be subject to the restriction on transfer of securities as set out in Section 3.4.

### **3.4 Restriction on Transfer of Securities**

The securities of the Corporation, other than non-convertible debt securities, shall not be transferred without the approval of the board of directors or of the holder or holders of more than 50% of the voting shares of the Corporation, to be evidenced in either case by a resolution of such directors or shareholders.

### **3.5 Rights for Two or More Classes of Shares**

Two or more classes of shares or two or more series within a class of shares may have the same rights, privileges, restrictions and conditions.

### **3.6 Business**

There shall be no restrictions on the business the Corporation may carry on or on the powers the Corporation may exercise.

### **3.7 Registered Office**

Until changed in accordance with the Act, the place in Ontario where the registered office of the Corporation is to be situated is the City of Toronto, in the Province of Ontario, and the address of the registered office of the Corporation shall be 100 King Street West, 1 First Canadian Place, 63<sup>rd</sup> Floor, Toronto, Ontario, M5X 1B8.

### 3.8 By-laws

Until repealed, amended, altered or added to, so far as applicable, the by-laws of BPG Recreational at the time the amalgamation becomes effective shall be the by-laws of the Corporation. A copy of the by-laws may be examined at the registered office of the Corporation.

### 3.9 Share Certificate

The forms of share certificates shall be in the forms as approved by the Board.

### 3.10 Banking

Until repealed, amended, altered or added to, so far as applicable, the banking resolutions of the Corporation shall be the same as the banking resolutions of BPG Recreational.

## ARTICLE 4

### DIRECTORS AND OFFICERS

#### 4.1 Directors

Until changed in accordance with the Act, the Board of the Corporation shall consist of such number of directors not more than 10 and not less than one. Initially, the number of directors of the Corporation shall be five and the first directors shall be the persons named below, whose addresses are set out opposite their respective names:

<u>Full Name</u>	<u>Address</u>	<u>Citizenship</u>
Ryan James Fairhead	26 Brisbane Court Brampton, Ontario Canada L6R 1V4	Canadian
Richard R. Godfrey	9820 E. Thompson Peak Parkway, Lot 837 USA, Scottsdale, AZ 85255	American
Sylvia Poss	5175 Derry Road Milton, ON Canada L2T 2X6	Canadian
Benjamin J. Poss Gulak	5175 Derry Road Milton, Ontario Canada L9T 2X6	Canadian
John Risley	757 Bedford Highway	Canadian

Bedford, NS  
Canada B4A 3Z7

Each director shall hold office until the first meeting of shareholders of the Corporation, or until his successor is elected or appointed. The election of subsequent directors shall take place thereafter in accordance with the provisions of the by-laws of the Corporation and the Act. Subject to the provisions of the Act and any unanimous shareholder agreement, the Board shall manage or supervise the management of the business and affairs of the Corporation.

#### 4.2 Officers

Initially, the persons named below shall hold the office or offices in the Corporation set out opposite their respective names until their successors are duly elected or appointed:

<u>Name</u>	<u>Title</u>
Benjamin J. Poss Gulak	President and Secretary
Ryan James Fairhead	Vice-President

### ARTICLE 5 ISSUED CAPITAL

#### 5.1 Transition

At the time the amalgamation of BPG, BPG IP and BPG Recreational becomes effective, their shares become issued and fully paid shares in the capital of the Corporation, or are cancelled, as the case may be, as follows:

- (a) **Common Shares:**
  - (i) each issued and outstanding common share in the capital of BPG becomes 6.817902733512 Common Shares;
  - (ii) each issued and outstanding Common Share in the capital of BPG Recreational becomes one Common Share; and

- (iii) each issued and outstanding common shares in the capital of BPG IP become 0.000000000001 Common Shares;
- (b) **Special Non-Voting Preferred Shares** – each issued and outstanding Special Non-Voting Preferred Share in the capital of BPG Recreational becomes one Special Voting Preferred Share; and
- (c) **Cancelled Shares** – all authorized but unissued shares in the capital of BPG, BPG IP and BPG Recreational are cancelled;

provided that the aggregate number of Common Shares and Special Voting Preferred Shares to be received by each shareholder of BPG or BPG Recreational, as the case may be, on the exchange of all such shareholder's shares for Common Shares or Special Voting Preferred Shares pursuant to this Agreement shall be rounded to the nearest whole number of Common Shares or Special Voting Preferred Shares with the result that, immediately after the amalgamation becomes effective, there shall be outstanding as fully paid and non-assessable 1,704,305 Common Shares and 20,000 Special Voting Preferred Shares.

## 5.2 Stated Capital

- (a) The stated capital account for Common Shares immediately after the amalgamation becomes effective shall be equal to the aggregate of the respective stated capital accounts for the issued and outstanding common shares in the capital of BPG, the issued and outstanding common shares in the capital of BPG IP and the issued and outstanding Common Shares in the capital of BPG Recreational, in each case, determined immediately before the amalgamation becomes effective.
- (b) The stated capital account for Special Voting Preferred Shares immediately after the amalgamation becomes effective shall be equal to the stated capital account for the issued and outstanding Special Non-Voting Preferred Shares in the capital of BPG Recreational determined immediately before the amalgamation becomes effective.

### 5.3 Share Certificates

After the amalgamation becomes effective, the shareholders of BPG, BPG IP and BPG Recreational, when requested by the Corporation, shall surrender for cancellation the certificates representing shares held by them in BPG, BPG IP and BPG Recreational, respectively, and shall be entitled to receive, upon request, certificates for Common Shares or Special Voting Preferred Shares on the basis set out in Section 5.1.

### 5.4 Options

After the amalgamation becomes effective, options exercisable for common shares in the capital of BPG, which remain outstanding immediately after the amalgamation becomes effective, will be exercisable for 6.817902733512 Common Shares for each common share in the capital of BPG at a exercise price per Common Share equal to the original exercise price per common share in the capital of BPG divided by 6.817902733512; provided that, in each case, the number of Common Shares issuable upon the exercise of such options shall be rounded down to the nearest whole number of Common Shares and the exercise price per Common Share shall be rounded up to the nearest whole cent with the result that, immediately after the amalgamation becomes effective, there shall be outstanding: (a) vested options exercisable for 46,087 Common Shares at an exercise price of US\$7.34; and (b) vested options exercisable for 6,340 Common Shares at an exercise price of US\$11.74.

## ARTICLE 6

### GENERAL

#### 6.1 Further Assurances

The Parties shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

## 6.2 Execution and Delivery

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles shall together constitute one and the same agreement.

## 6.3 Miscellaneous

- (a) Time is of the essence in the performance of the Parties' respective obligations.
- (b) This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.
- (c) This Agreement enures to the benefit of and is binding upon the Parties and their successors and assigns.

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IN WITNESS OF WHICH the Parties have duly executed this Agreement.

**BPG INC.**

By: 

**BENJAMIN J. POSS GULAK**

President and Secretary

**BPG IP HOLDINGS INC.**

By: 

**BENJAMIN J. POSS GULAK**

President and Secretary

**BPG RECREATIONAL INC.**

By: 

**BENJAMIN J. POSS GULAK**

President and Secretary

*Signature Page to the Amalgamation Agreement*