

**SUBSCRIPTION AGREEMENT FOR FUNDING NOTES**

**TO: Hardie & Kelly Inc., in its capacity as Trustee in Bankruptcy of ASSISTIVE FINANCIAL CORP. (the "CORPORATION"), and not in its personal capacity (THE "TRUSTEE")**

**\*NOTE: THIS SUBSCRIPTION AGREEMENT IS HIGH RISK, THE PURPOSE OF WHICH IS TO RAISE CAPITAL TO FUND THE BANKRUPTCY PROCEEDINGS OF THE CORPORATION AND PROSPECTIVE LITIGATION ON BEHALF OF THE BANKRUPT CORPORATION\***

The undersigned (hereinafter referred to as the "**Subscriber**") hereby irrevocably subscribes for a 49% subordinated, unsecured note of the Corporation (the "**Funding Note**") for the aggregate amount set forth below (the "**Aggregate Loan Amount**") subject to the terms and conditions set forth in "Terms and Conditions of Subscription for Funding Notes" attached hereto (together with this page and the attached Exhibits, the "**Subscription Agreement**"). **In addition to this face page, the Subscriber must also complete the Exhibits attached hereto, if applicable.**

_____
(Name of Subscriber – please print)
By: _____
(Authorized Signature)
_____
(Official Capacity or Title - please print)
_____
(Please print name of individual whose signature appears above if different than the name of the Subscriber printed above.)
_____
(Subscriber's Address including Postal Code)
_____
_____
(Telephone Number)                      (Email Address)

Aggregate Loan Amount: \$ _____
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<b>If the Subscriber is signing as agent for a principal, unless it is deemed to be purchasing as principal under NI 45-106 (as defined herein) by virtue of being either (i) a trust company or trust corporation acting on behalf of a fully managed account managed by the trust company or trust corporation; or (ii) a person acting on behalf of a fully managed account managed by it and in each case satisfying the criteria set forth in NI 45-106, complete the following and ensure that the applicable Exhibit(s) are completed on behalf of each such principal ("Disclosed Beneficial Purchaser"):</b>
_____
(Name of Disclosed Beneficial Purchaser)
_____
(Disclosed Beneficial Purchaser's Address including Postal Code)
_____
_____
(Telephone Number)                      (Email Address)

**ACCEPTANCE:** The Trustee hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement.

**Hardie & Kelly Inc., in its capacity as Trustee in Bankruptcy of ASSISTIVE FINANCIAL CORP. and not in its personal capacity**

By: \_\_\_\_\_, 2014

This is the first page of an agreement comprised of 8 pages (excluding Exhibits).

**TERMS AND CONDITIONS OF SUBSCRIPTION FOR  
FUNDING NOTES**

**Terms of the Offering**

1. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that this subscription is subject to rejection or allotment by the Trustee in whole or in part at any time prior to the Closing Time (as defined herein).
2. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the Funding Note subscribed for by it hereunder forms part of a larger issuance and sale by the Trustee of Funding Notes from time to time.
3. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the Funding Note will be duly and validly created and issued pursuant to, the Funding Note certificate (the "**Funding Note Certificate**") substantially in the form attached hereto as **Exhibit 2**.
4. The Funding Note shall be duly and validly created and issued by the Corporation pursuant to the terms of the Funding Note Certificate. Any description of the Funding Note set forth in this Subscription Agreement is a summary only and is subject to the detailed provisions of the Funding Note Certificate, which shall be in such form and contain such terms as shall be approved by the Trustee and its counsel. For greater certainty, in the event of any conflict between this Subscription Agreement and the Funding Note Certificate in respect of the terms of the Funding Note, the Funding Note Certificate shall govern.

**Representations, Warranties, Acknowledgements and Covenants by the Subscriber**

5. The Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) (and for the purpose of the following representations, warranties and covenants, any reference to the "Subscriber" or "it" includes the Subscriber and each person on whose behalf the Subscriber is contracting) represents, warrants, acknowledges and covenants, as applicable, to the Trustee and its counsel (and acknowledges that the Trustee and its counsel are relying thereon) both at the date hereof and at the Closing Time that:

- (a) the Subscriber acknowledges that:
  - (i) the proceeds of this Offering are being used to fund the bankruptcy proceedings of the Corporation and prospective litigation on behalf of the bankrupt estate of the Corporation, to be commenced by the Trustee;
  - (ii) the aggregate proceeds being sought are \$750,000 (the "**Total Loan Amount**") provided that, in the event that less than \$750,000, but more than \$200,000, is raised hereunder, the Trustee will have the right to elect, in its absolute discretion, to either:
    - (A) proceed with the closing; or
    - (B) to decline to close, in which event all proceeds, net of the Trustee's costs and disbursements, will be refunded to the Subscribers who advanced funds hereunder;
  - (iii) in the event that less than \$200,000 is raised, the Trustee will not proceed and the funds, net of the Trustee's costs and disbursements regarding this subscription, will be refunded to the Subscribers who advanced funds hereunder;
  - (iv) there are certain other material terms and conditions associated with the Offering, as well as the actions of the Trustee in relation thereto, which are set out in the Funding Note Certificate; and

- (v) **the subscription of Funding Notes involves a very high level of risk due to, amongst other things, the current bankruptcy of the Corporation and the inherent uncertainty involved in litigation, and therefore, there is a significant risk that all or a portion of the Aggregate Loan Amount and any applicable accrued interest will not be repaid to the Subscriber, and that no proceeds of any litigation will be paid to the Subscriber;** and
- (b) the Subscriber has been advised that no sale or assignment of a Funding Note is permitted without the express prior consent of the Trustee, which consent may be refused for any reason. In addition, in the event such consent is granted, the Subscriber confirms that it has been, or has had the opportunity to be, independently advised as to additional restrictions with respect to trading in the Funding Note imposed by applicable securities legislation in the jurisdiction in which the Subscriber resides or to which the Subscriber is otherwise subject, acknowledges that the Subscriber is aware of the fact that the Subscriber may not be able to resell the Funding Note even if granted consent by the Trustee, except in accordance with limited exemptions under applicable securities legislation and regulatory policy until the expiry of the applicable restricted period and compliance with the other requirements of applicable law and it agrees that, any certificates representing the Funding Note will bear the following legend indicating that the resale of such securities is restricted as follows:
- "UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [CLOSING DATE]; AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA."; and
- (c) other than the Funding Note Certificate attached hereto as **Exhibit 2**, the Subscriber has not received nor been provided with, nor has the Subscriber requested, nor does the Subscriber have any need to receive, any offering memorandum, sales or advertising literature, or any other similar document (other than, if any, an annual report, annual information form, interim report, information circular, take-over bid circular, issuer bid circular or other continuous disclosure document, the content of which, if applicable, is prescribed by applicable securities law, that, in each case, has been filed, if applicable, with applicable securities commissions) describing, or purporting to describe, the business and affairs of the Corporation or the Trustee which has been prepared for delivery to, and review by, prospective purchasers in order to assist such prospective purchasers in making an investment decision in respect of the Funding Note; and
- (d) the Subscriber has not become aware of and the purchase of the Funding Note is not made through or as a result of any general solicitation or any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display such as the Internet) with respect to the distribution of the Funding Note; and
- (e) unless it is purchasing under subparagraph 5(f), the Subscriber is purchasing, or is deemed to be, the Funding Note as principal for the Subscriber's own account, not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the Funding Note and the Subscriber certifies that it is resident in the jurisdiction set out as the "Subscriber's Address" on the face page hereof and it fully complies with the criteria below:
- (i) the Subscriber is resident in or otherwise subject to applicable securities laws of **the Province of Alberta**, and the Subscriber is an "**accredited investor**", as such term is defined in National Instrument 45-106 - *Prospectus and Registration Exemptions* ("**NI 45-106**") of the Canadian Securities Administrators adopted under the securities legislation of the Provinces of Canada (collectively, the "**Canadian Jurisdictions**"), it was not created and is not being used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106, it is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or comparable legislation in another jurisdiction of Canada, and has concurrently executed and delivered a Representation Letter in the form attached

as **Exhibit 1** to this Subscription Agreement with **Appendix "A"** to **Exhibit 1** completed indicating that the Subscriber satisfies one of the categories of "accredited investor" set forth in such definition; or

- (ii) if the Subscriber is a resident of or otherwise subject to applicable securities laws of Alberta but not purchasing thereunder, the Subscriber, or any Disclosed Beneficial Purchaser for whom the Subscriber is acting, is purchasing pursuant to an exemption from the prospectus and registration requirements (particulars of which are enclosed herewith) available to the Subscriber under applicable securities legislation of the jurisdiction of the Subscriber's residence and the Subscriber shall deliver to the Trustee such further particulars of the exemption(s) and the Subscriber's qualifications thereunder as the Trustee or its counsel may request; or
- (f) if it is not purchasing as a principal, it is duly authorized to enter into this Subscription Agreement and to execute and deliver all documentation in connection with the purchase on behalf of each Disclosed Beneficial Purchaser, each of whom is purchasing as principal for its own account, not for the benefit of any other person, and not with a view to the resale or distribution of all or any of the Funding Note, it acknowledges that the Trustee is required by law to disclose to certain regulatory authorities the identity of each Disclosed Beneficial Purchaser of the Funding Note for whom it may be acting, and agrees that notwithstanding that it may be purchasing the Funding Note as an agent for a Disclosed Beneficial Purchaser, it shall provide the Trustee or its counsel such particulars as to the identity of such Disclosed Beneficial Purchaser as may be required to comply with such disclosure obligations, it is resident in the jurisdiction set out as the "Subscriber's Address" and, subject to securities laws applicable to the Subscriber, it is acting as agent for one or more Disclosed Beneficial Purchasers, each of whom is resident in the jurisdiction set out as the "Principal's Address", and each of such Disclosed Beneficial Purchasers complies with subparagraphs (i) or (ii) of subparagraph 5(e) hereof as are applicable to it; and
- (g) the Subscriber acknowledges that:
  - (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Funding Note;
  - (ii) there is no government or other insurance covering the Funding Note;
  - (iii) there are risks associated with the purchase of the Funding Note; and
  - (iv) it is aware that there is no market for the Funding Note and none is expected to develop; and
- (h) it is not a "U.S. person" (a "**U.S. Person**") (as defined in Regulation S under the United States Securities Act of 1933, as amended, which definition includes but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Funding Note on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person; and
- (i) the Subscriber undertakes and agrees that it will not offer or sell the Funding Note in the United States; and
- (j) if the Subscriber is a corporation, partnership, unincorporated association or other entity, the Subscriber has the legal capacity and competence to enter into and be bound by this Subscription Agreement and to perform all of its obligations hereunder, and if the Subscriber is a body corporate, the Subscriber is duly incorporated or created and validly subsisting under the laws of the jurisdiction of its incorporation, and further certifies that all necessary approvals of directors, shareholders, partners or otherwise have been given and obtained; and
- (k) this Subscription Agreement has been duly and validly authorized, executed and delivered by and constitutes a legal, valid, binding and enforceable obligation of the Subscriber; and

- (l) in the case of a subscription by the Subscriber for the Funding Note acting as agent for a Disclosed Beneficial Purchaser the Subscriber is duly authorized to execute and deliver this Subscription Agreement and all other necessary documentation in connection with such subscription on behalf of such Disclosed Beneficial Purchaser and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid and binding agreement of, such Disclosed Beneficial Purchaser and the Subscriber acknowledges that the Trustee is required by law to disclose to certain regulatory authorities the identity of each Disclosed Beneficial Purchaser for whom the Subscriber may be acting; and
- (m) the Subscriber, or each Disclosed Beneficial Purchaser for whom it is acting, has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and the Subscriber, or Disclosed Beneficial Purchaser for whom it is acting, is able to bear the economic risk of loss of its entire investment; and
- (n) the Subscriber has relied solely upon this Subscription Agreement and publicly available information relating to the Corporation and the Trustee and, other than as stated herein, not upon any verbal or written representation as to fact or otherwise made by or on behalf of the Corporation or the Trustee, and acknowledges that the Trustee's counsel is acting as counsel to the Trustee and not as counsel to the Subscriber; and
- (o) if required by, or advisable under, applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Trustee in filing such reports, undertakings and other documents with respect to the issue of the Funding Note as may be required or requested, including, without limitation, in the case of an "accredited investor", a representation letter in the form attached as **Exhibit 1** with **Appendix "A"** to **Exhibit 1** fully completed; and
- (p) none of the funds that the Subscriber is using to purchase the Funding Note represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLTFA**") and the Subscriber acknowledges that the Trustee may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA, and to the best of the Subscriber's knowledge (i) the Aggregate Loan Amount to be provided by the Subscriber (A) has not been or will not be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (B) is not being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (ii) the Subscriber shall promptly notify the Trustee if the Subscriber discovers that any of such representations ceases to be true, and to provide the Trustee with appropriate information in connection therewith; and
- (q) none of the funds the Subscriber is using to purchase the Funding Note are, to the knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities; and
- (r) the Subscriber understands and acknowledges that the Funding Note is being purchased pursuant to exemptions from the prospectus requirements contained in applicable securities legislation and, as a result:
  - (i) the Subscriber is restricted from using most of the civil remedies available under applicable securities legislation; and
  - (ii) the Subscriber may not receive information that would otherwise be required to be provided to the Subscriber under applicable securities legislation; and
  - (iii) the Corporation and the Trustee are relieved from certain obligations that would otherwise apply under applicable securities legislation; and

- (iv) the common law may not provide an adequate remedy in the event it suffers investment losses in connection with the Funding Note acquired pursuant to the Offering; and
- (s) the Subscriber acknowledges and confirms that neither the Trustee, nor the Corporation nor any of their respective directors, employees, officers, affiliates, advisors or agents, have made any representations (written or oral) to the Subscriber:
  - (i) regarding the future value of the Funding Note;
  - (ii) that any person will resell or repurchase the Funding Note;
  - (iii) that any person will refund the purchase price of the Funding Note other than as provided in this Subscription Agreement; or
  - (iv) that the Funding Note will be listed on any stock exchange or that application has been or will be made for such listing; and
- (t) the delivery of this Subscription Agreement, the acceptance hereof by the Trustee and the issuance of the Funding Note to the Subscriber complies or will comply with all applicable laws of the Subscriber's jurisdiction of residence and domicile and will not cause the Trustee, the Corporation or any of their respective officers or directors to become subject to or require any disclosure, prospectus or other reporting requirement; and
- (u) the Subscriber acknowledges that the Subscriber or the Trustee may be required to provide the applicable securities regulatory authorities with a list setting forth the identities of the beneficial purchasers of the Funding Note and notwithstanding that the Subscriber may be purchasing the Funding Note as agent for a principal, it will provide, on request of the Trustee or its counsel, particulars as to the identity of such principal as may be required by the Trustee (in order to comply with the foregoing); and
- (v) the Trustee has the sole discretion to accept or reject, in whole or in part, any Subscription Agreement; provided that each Subscriber shall be given the opportunity to subscribe for that portion of the Total Loan Amount which is equivalent to the pro rata portion of his investment in the outstanding unsecured, subordinated notes and debentures issued by the Corporation (the "**Debentures**"). In the event that the holders of Debentures fail to subscribe for the Total Loan Amount, other holders of Debentures shall be offered the opportunity to fund any shortfall; provided that it will be in the absolute discretion of the Trustee to decide which holders of Debentures shall be entitled to participate in such additional funding and as to what amount.

### **Closing**

6. The Subscriber agrees to deliver to the Trustee, not later than 4:30 p.m. (Calgary time) on the day that is two business days before the Closing Date: (a) this duly completed and executed Subscription Agreement; (b) payment to the Trustee or as the Trustee directs for the Aggregate Loan Amount of the Funding Note subscribed for under this Subscription Agreement or payment in such other manner as is acceptable to the Trustee; and (c) if the Subscriber is an "accredited investor", a fully executed and completed Representation Letter in the form of **Exhibit 1** with **Appendix "A"** to **Exhibit 1** fully completed.

7. The sale of the Funding Note pursuant to this Subscription Agreement shall be completed at the offices of the Trustee in Calgary, Alberta at 10:00 a.m. (Calgary time) or such other time as the Trustee may determine (the "**Closing Time**") on **April 23, 2014** or such other date or dates as the Trustee may determine (each a "**Closing Date**").

8. The Trustee shall be entitled to rely on delivery of a facsimile copy or electronic copy of executed subscriptions, and acceptance by the Trustee of such facsimile or electronic copy of subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the Trustee in accordance with the

terms hereof. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. If less than a complete copy of the Subscription Agreement is delivered to the Trustee at the Closing Time, the Trustee shall be entitled to assume that the Subscriber accepts and agrees with all terms and conditions of this Subscription Agreement on pages not delivered at the Closing Time and that such pages have not been altered.

## **General**

9. The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein shall be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time as if made at that time and will survive the completion of the issuance of the Funding Note and the closing of the transactions contemplated hereby. The representations, warranties and covenants of the Subscriber herein are made with the intent that they be relied upon by the Trustee and its counsel in determining the Subscriber's eligibility to purchase the Funding Note and the Subscriber hereby agrees to indemnify and hold harmless the Trustee and its trustees, directors, officers, employees, advisors, affiliates, shareholders, partners and agents from and against any and all loss, liability, claim, damage and expense whatsoever including, but not limited to, any fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation, administrative proceeding or investigation commenced or threatened or any claim whatsoever arising out of or based upon any representation or warranty of the Subscriber contained herein or in any document furnished by the Subscriber to the Trustee in connection herewith being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Trustee in connection herewith. The Subscriber undertakes to immediately notify the Trustee at Hardie & Kelly Inc., 110, 5800 – 2nd Street SW, Calgary, AB, T2H 0H2, Attention: M. Kelly, at Fax: (403) 640-0591, email: mkelly@insolvency.net or Telephone: (403) 252-1766 of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the Closing Time.

10. The Subscriber acknowledges that this Subscription Agreement and the Exhibits hereto require the Subscriber to provide certain personal information to the Trustee and its counsel. Such information is being collected by the Trustee and its counsel for the purposes of completing the Offering described herein, which includes, without limitation, determining the Subscriber's eligibility to purchase the Funding Note under applicable securities legislation, preparing and registering certificates representing the Funding Note to be issued to the Subscriber and completing filings required by any stock exchange, securities commission or securities regulatory authority or taxation authorities. Certain securities commissions have been granted the authority to indirectly collect this personal information pursuant to securities legislation and this personal information is also being collected for the purpose of administration and enforcement of securities legislation. In Ontario, the Administrative Support Clerk, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone (416) 593-3684, Facsimile: (416) 593-8252 is the public official who can answer questions about the indirect collection of personal information. The Subscriber agrees that the Subscriber's personal information may be disclosed by the Trustee and its counsel to: (a) stock exchanges, securities commissions or securities regulatory authorities; (b) the Corporation's registrar and transfer agent; (c) the Court; (d) taxation authorities; and (e) any of the other parties involved in the Offering, including legal counsel. By executing this Subscription Agreement, the Subscriber is deemed to be authorizing and consenting to the foregoing collection (including the indirect collection of personal information), use and disclosure of the Subscriber's personal information as set forth above. The Subscriber also consents to the filing of copies or originals of any of the Subscriber's documents described in this Subscription Agreement as may be required to be filed with any stock exchange, securities commission or securities regulatory authority in connection with the transactions contemplated hereby.

11. The Subscriber hereby irrevocably authorizes the Trustee to: (a) act as the Subscriber's representative at the closing of the Offering and to execute in the Subscriber's name and on the Subscriber's behalf all closing receipts and documents required; (b) receive on the Subscriber's behalf certificates representing the Funding Note purchased under this Subscription Agreement; and (c) approve any opinions, certificates or other documents addressed to the Subscriber.

12. The contract arising out of this Subscription Agreement and all documents relating thereto shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta. Time shall be of the essence hereof.

13. This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.

14. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber and the Trustee and their respective heirs, executors, administrators, successors and assigns; provided that, except for the assignment by a Subscriber who is acting as nominee or agent to the beneficial owner and as otherwise herein provided, this Subscription Agreement shall not be assignable by any party without prior written consent of the other parties.

15. Except as otherwise provided herein, the parties may waive, modify, change, discharge or terminate this Subscription Agreement only by a written instrument signed by each party against whom the waiver, change, discharge or termination is sought.

16. The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.

17. The parties hereto acknowledge and confirm that they have requested that this Subscription Agreement as well as all notices and other documents contemplated hereby be drawn up in the English language. Les parties aux présentes reconnaissent et confirment qu'elles ont convenu que la présente convention de souscription ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.

18. In this Subscription Agreement (including Exhibits), references to "\$" are to Canadian dollars.



**EXHIBIT 1**

**REPRESENTATION LETTER**

**(FOR ACCREDITED INVESTORS)**

**TO: Hardie & Kelly Inc., in its capacity as Trustee in Bankruptcy of ASSISTIVE FINANCIAL CORP. (THE "CORPORATION"), and not in its personal capacity (THE "TRUSTEE")**

In connection with the purchase of a Funding Note of the Corporation as defined in the attached Subscription Agreement by the undersigned subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent (the "**Subscriber**" for the purposes of this **Exhibit 1**), the Subscriber hereby represents, warrants, covenants and certifies to the Trustee that, both as at the date hereof and as of the Closing Time (as defined in the Subscription Agreement):

1. The Subscriber is resident in the jurisdiction as set forth on the face page of this Subscription Agreement or is subject to the securities laws of such jurisdiction;
2. The Subscriber is purchasing the Funding Note as principal for its own account (unless the Subscriber is an accredited investor pursuant to paragraphs (p) or (q) in Appendix "A" hereto);
3. The Subscriber has read and understands the initialed criterion of an accredited investor as set out in Appendix "A" attached to this Representation Letter;
4. The Subscriber is, and at the time of closing shall be, an "accredited investor" within the meaning of National Instrument 45-106 entitled "Prospectus and Registration Exemptions" by virtue of satisfying the initialed criterion as set out in Appendix "A" attached to this Representation Letter;
5. The Subscriber was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the attached Appendix "A" of this **Exhibit 1**; and
6. Upon execution of this **Exhibit 1** by the Subscriber, this **Exhibit 1** shall be incorporated into and form a part of the Subscription Agreement.

Dated: \_\_\_\_\_, 2014

\_\_\_\_\_  
Print name of Subscriber

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name of Signatory (if different from Subscriber)

\_\_\_\_\_  
Title

**IMPORTANT: PLEASE INITIAL THE CATEGORY OR CATEGORIES  
IN APPENDIX "A" ON THE NEXT PAGE THAT DESCRIBE(S) YOU**

**APPENDIX "A" TO EXHIBIT 1**

**NOTE: THE INVESTOR MUST INITIAL BESIDE THE APPLICABLE PORTION OF THE DEFINITION BELOW.**

**Accredited Investor** - (defined in National Instrument 45-106) means:

- \_\_\_\_\_ (a) a Canadian financial institution, or a Schedule III bank; or
- \_\_\_\_\_ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- \_\_\_\_\_ (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary; or
- \_\_\_\_\_ (d) a person registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador); or
- \_\_\_\_\_ (e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d); or
- \_\_\_\_\_ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, Agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada; or
- \_\_\_\_\_ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec; or
- \_\_\_\_\_ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any Agency of that government; or
- \_\_\_\_\_ (i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada; or
- \_\_\_\_\_ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000; or
- \_\_\_\_\_ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; or
- \_\_\_\_\_ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000; or

*(Note: if individual accredited investors wish to purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under paragraph (t) below, which must be initialed.)*

Exhibit 1-3

- \_\_\_\_\_ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements; or
  - \_\_\_\_\_ (n) an investment fund that distributes or has distributed its securities only to:
    - (i) a person that is or was an accredited investor at the time of the distribution, or
    - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 or 2.19 of National Instrument 45-106, or
    - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of National Instrument 45-106; or
  - \_\_\_\_\_ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt; or
  - \_\_\_\_\_ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be; or
  - \_\_\_\_\_ (q) a person acting on behalf of a fully managed account managed by that person, if that person
    - (i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and
    - (ii) in Ontario, is purchasing a security that is not a security of an investment fund; or
  - \_\_\_\_\_ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded; or
  - \_\_\_\_\_ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function; or
  - \_\_\_\_\_ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors (as defined in National Instrument 45-106); or
- (Note: if you are purchasing as an individual accredited investor paragraphs (j), (k) or (l) above must be initialed rather than paragraph (t))*
- \_\_\_\_\_ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser; or
  - \_\_\_\_\_ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor.

**For the purposes hereof:**

- (a) "**Canadian financial institution**" means
  - (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
  - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) "**control person**" has the same meaning as in securities legislation and generally means any person that holds or is one of a combination of persons that holds:
  - (i) a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, and
  - (ii) if a person holds more than 20% of the outstanding voting rights attached to all outstanding voting securities of an issuer, the person is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;
- (c) "**director**" means:
  - (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
  - (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;
- (d) "**eligibility adviser**" means:
  - (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
  - (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada, provided that the lawyer or public accountant must not
    - (A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
    - (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;
- (e) "**executive officer**" means, for an issuer, an individual who is
  - (i) a chair, vice-chair or president,
  - (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or

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- (iii) performing a policy-making function in respect of the issuer;
- (f) "**financial assets**" means
  - (i) cash,
  - (ii) securities, or
  - (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (g) "**foreign jurisdiction**" means a country other than Canada or a political subdivision of a country other than Canada;
- (h) "**founder**" means, in respect of an issuer, a person who,
  - (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
  - (ii) at the time of the distribution or trade is actively involved in the business of the issuer;
- (i) "**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;
- (j) "**investment fund**" means a mutual fund or a non-redeemable investment fund, and for greater certainty in British Columbia, includes:
  - (i) an employee venture capital corporation that does not have restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia) and whose business objective is making multiple investments; and
  - (ii) a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia) whose business objective is making multiple investments
- (k) "**jurisdiction**" means a province or territory of Canada except when used in the term foreign jurisdiction;
- (l) "**local jurisdiction**" means the jurisdiction in which the Canadian securities regulatory authority is situate;
- (m) "**non-redeemable investment fund**" means an issuer,
  - (i) whose primary purpose is to invest money provided by its security holders,
  - (ii) that does not invest;
    - (A) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund; or
    - (B) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and
  - (iii) that is not a mutual fund;
- (n) "**person**" includes

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- (i) an individual,
  - (ii) a corporation,
  - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
  - (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;
- (o) "**regulator**" means, for the local jurisdiction, the Executive Director as defined under securities legislation of the local jurisdiction;
- (p) "**related liabilities**" means
- (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
  - (ii) liabilities that are secured by financial assets.
- (q) "**Schedule III bank**" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (r) "**spouse**" means, an individual who,
- (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
  - (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
  - (iii) in Alberta, is an individual referred to in paragraph (i) or (ii) above, or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and
- (s) "**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

All monetary references are in Canadian Dollars

**EXHIBIT 2**

**Form of Funding Note**

**UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF: (I) [●], 2014, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.**

**FUNDING NOTE**

**\$●**

**Principal Amount: \$**

**Hardie & Kelly Inc., in its capacity as Trustee in Bankruptcy of ASSISTIVE FINANCIAL CORP.**

**49% SUBORDINATED, UNSECURED NOTE**

**FOR VALUE RECEIVED**, Hardie & Kelly Inc., in its capacity as Trustee in Bankruptcy of ASSISTIVE FINANCIAL CORP. (the "**Corporation**") and not in its personal capacity (the "**Trustee**"), acknowledges the Corporation to be indebted to the holder, (the "**Holder**") of this funding note (the "**Funding Note**"), and the Corporation hereby promises to pay to, or to the order of the Holder, the principal amount indicated above (the "**Principal Amount**") in accordance with the conditions attached hereto and to pay interest on the Principal Amount in accordance with those conditions.

The covenants to pay interest in this Funding Note shall not merge on the taking of a judgment or judgments with respect to any of the obligations herein stipulated for.

This Funding Note is issued upon the terms and conditions as are set out in Schedule "A" hereto, and the terms, conditions and provisions contained in Schedule "A" are incorporated herein and constitute a part hereof. Unless the context otherwise requires capitalized expressions herein shall have the meaning ascribed to them in Schedule "A" hereto.

**IN WITNESS HEREOF** the Trustee has executed this Funding Note on \_\_\_\_\_, 2014.

**Hardie & Kelly Inc., in its capacity as  
Trustee in Bankruptcy of ASSISTIVE  
FINANCIAL CORP. and not in its  
personal capacity**

Per: \_\_\_\_\_

**SCHEDULE "A"**

**ARTICLE 1 – INTERPRETATION**

**1.1 Definitions**

In this Funding Note, unless there is something in the subject matter or context inconsistent therewith:

- (a) "**Business Day**" means any day other than Saturday, Sunday or any statutory holiday in the City of Calgary in the Province of Alberta;
- (b) "**Corporation**" means ASSISTIVE FINANCIAL CORP., a bankrupt, represented by the Trustee;
- (c) "**Holder**" with respect to this Funding Note means the Person named on the front page of this Funding Note in whose name this Funding Note is registered in the register for the Funding Note maintained by the Corporation, or any other Person who becomes a holder of this Funding Note by way of transfer;
- (d) "**Interest Rate**" means 49%, being the annual simple interest rate payable in accordance with the terms hereof;
- (e) "**Principal Amount**" means \$●;
- (f) "**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, government or governmental authority or other entity, whatsoever however designated or constituted;
- (g) "**this Funding Note**", "**hereto**", "**hereby**", "**hereunder**", "**hereof**", "**herein**" and similar expressions refer to this Funding Note and not to any particular Article, section, subsection, paragraph, subdivision or other portion hereof;
- (h) "**Total Loan Amount**" means the aggregate proceeds being sought in the amount of \$750,000, or such lesser amount as is accepted by the Trustee hereunder; and
- (i) "**Trustee**" means Hardie & Kelly Inc., in its capacity as the Court appointed trustee in bankruptcy of the Corporation, and not in its personal capacity.

Words importing the singular include the plural and vice versa and words importing the masculine gender include the feminine gender and vice versa. Defined terms used herein and not otherwise defined have the meaning ascribed thereto in the certificate creating the Funding Note to which these conditions are attached.

**1.2 Meaning of "Outstanding" for Certain Purposes**

This Funding Note shall be deemed to be outstanding until it shall be cancelled or delivered to the Trustee for cancellation, or a new Funding Note shall be issued in substitution therefor under Section 2.8, provided that where a new Funding Note has been issued in substitution for a Funding Note which has been lost, stolen or destroyed, only one of such Funding Note shall be counted for the purpose of determining the aggregate Principal Amount of Funding Note outstanding.



**1.3 Interpretation Not Affected by Headings, Etc.**

The division of this Funding Note into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Funding Note.

**1.4 Statute References**

Any reference in this Funding Note to a statute shall be deemed to be a reference to such statute as amended, re-enacted or replaced from time to time.

**1.5 Monetary References**

Any reference in this Funding Note to "Dollars", "dollars" or the sign "\$" shall be deemed to be a reference to lawful currency of Canada.

**1.6 Day Not a Business Day**

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the first Business Day thereafter.

**1.7 Invalidity of Provisions**

Each of the provisions contained in this Funding Note is distinct and severable and a declaration of invalidity or unenforceability of any such provision by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof or thereof.

**1.8 Governing Law**

This Funding Note shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be treated in all respects as an Alberta contract and the parties irrevocably attorn to the exclusive jurisdiction of the courts of Alberta (Calgary District).

**ARTICLE 2 – THE NOTE**

**2.1 Risk of Funding Note**

**This Funding Notes involves a very high level of risk due to, amongst other things, the current bankruptcy of the Corporation and the inherent uncertainty involved in litigation, and therefore, there is a significant risk that all or a portion of the Aggregate Loan Amount will not be repaid to the Subscriber, and that no proceeds of any litigation will be paid to the Subscriber.**

**2.2 Terms of Funding Note**

This Funding Note represents an obligation of the Corporation to pay to, or to the order of, the Holder the Principal Amount and all interest accrued thereon as herein provided. The Funding Note shall be designated as "**49% Subordinated, Unsecured Funding Note**", shall bear interest (subject to the provisions of section 2.4) from the date of Issuance, at the Interest Rate calculated annually, payable after as well as before maturity, default and judgment, payable in accordance with the provisions of section 3.3.

**2.3 Computation of Interest**

- (a) This Funding Note, whether issued originally or in exchange for other Funding Notes, shall bear interest commencing on the date this Funding Note is issued.
- (b) Interest for any period of less than 12 months shall be computed on the basis of a year of 365 days (366 days if such period falls within a leap year).

**2.4 Payment of Interest in Respect of Funding Note**

- (a) All payments by the Trustee to the Holder under this Funding Note shall be made free and clear of and without deduction or withholding for any and all taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto (all such taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "**Taxes**") imposed by Canada (or any political subdivision or taxing authority thereof or therein), unless such Taxes are required by applicable law to be deducted or withheld. If the Trustee shall be required by applicable law to deduct or withhold any such Taxes from or in respect of any amount payable under this Funding Note, except as provided in the next following sentence, (i) the amount payable shall be decreased (and for greater certainty, in the case of interest, the amount of interest shall be decreased) by the amount of such deduction or withholding; (ii) the Trustee shall make such deductions or withholdings; and (iii) the Trustee shall pay the full amount deducted or withheld forthwith to the relevant governmental entity in accordance with applicable law.
- (b) Where this Funding Note is registered in more than one name, the Principal Amount and interest, from time to time payable in respect thereof shall be paid by cheque payable to the order of all such Holders, unless the Trustee has received written instructions from them to the contrary, and the receipt of any one of such Holders therefor shall be a valid discharge to the Trustee.

**2.5 Registration of Funding Note**

The Trustee shall cause to be kept a register in which shall be entered the name and latest known address of the Holder and the other particulars of this Funding Note.

**2.6 Ownership of Funding Note**

- (a) The Holder shall be deemed to be the owner of the Funding Note for all purposes and payment of or on account of the Principal Amount, and interest thereon shall be made only to or upon the order in writing of the Holder and such payment shall be a complete discharge to the Trustee for the amounts so paid.
- (b) The Holder from time to time shall be entitled to the Principal Amount and interest evidenced by this Funding Note, free from all equities or rights of set-off or counterclaim between the Corporation and the original or any permitted intermediate Holder thereof (except any equities of which the Corporation is required to take notice by law) and all Persons may act accordingly and a transferee expressly permitted hereunder of this Funding Note shall, after the appropriate form of transfer is lodged with the Trustee and upon compliance with all other conditions in that behalf required by this Funding Note or by law, be entitled to be entered on the appropriate register or on any one of the appropriate registers as the owner of this Funding Note free from all equities or rights of set-off or counterclaim between the Corporation and the transferor or any previous Holder thereof, save in respect of equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

**2.7 Transfer of Funding Note**

No transfer of this Funding Note shall be valid unless made in accordance with applicable laws and approved by the trustee.

## **2.8 Replacement of Funding Note**

If this Funding Note shall become mutilated or be lost, stolen or destroyed and in the absence of notice that this Funding Note has been acquired by a "good faith purchaser" within the meaning of the *Business Corporations Act* (Alberta), the Trustee shall issue or cause to be issued, and deliver a new Funding Note upon surrender and cancellation of the mutilated Funding Note, or, in the case of a lost, stolen or destroyed Funding Note, in lieu of and in substitution for the same, and the substituted Funding Note shall be in form identical to the lost, stolen or destroyed Funding Note. In case of loss, theft or destruction the applicant for a new Funding Note shall furnish the Trustee with evidence of such loss, theft or destruction and shall provide an indemnity to the Corporation and the Trustee in amount and form satisfactory to the Trustee, acting reasonably. The applicant shall pay all expenses incidental to the issuance of any such new Funding Note.

## **ARTICLE 3 - COVENANTS OF THE TRUSTEE**

The Trustee hereby covenants and agrees with the Holder that it will fulfill or cause to be filled the covenants hereinafter set forth.

### **3.1 To Pay Principal and Interest**

Subject to the terms and conditions stated herein, including but not limited to paragraph 3.3, the Corporation will duly and punctually pay or cause to be paid to the Holder the Principal Amount and interest accrued on this Funding Note with respect thereto on the dates, at the places, in the money and in the manner discussed herein.

### **3.2 Use of Proceeds**

The Principal Amount of the Funding Note will at all times be used to fund the bankruptcy proceedings of the Corporation and such prospective litigation on behalf of the bankrupt estate of the Corporation as the Trustee, with the approval of the inspectors of the bankrupt estate of the Corporation, may decide to commence.

### **3.3 Principal Terms**

- (a) The sum of the Funding Notes shall be in the amount of not less than the Total Loan Amount. If the costs incurred by the Trustee are less than the Total Loan Amount, the excess will be refunded to those Holders who advanced funds pro-rata to the amounts stated in their Funding Notes.
- (b) Interest on the Principal Amount shall be payable at the Interest Rate.
- (c) The Principal Amount and interest will form part of the costs of administration, and will be subject to the provisions of Section 136(1)(b) of the *Bankruptcy and Insolvency Act* (Canada), as amended (the "BIA"). It is anticipated but not certain that the Principal Amount and interest will therefore receive priority as against the net proceeds, if any, of the litigation after payment of the other priority claims provided for by Sections 136(1)(b)(ii) and 136(1)(b)(iii) of the BIA.
- (d) The Principal Amount and interest will not be repayable until the completion of all the litigation, unless there is a recovery on one or more of the claims by the Trustee which exceeds the amount of the Total Loan Amount and all accrued interest, such that, in the absolute discretion of the Trustee, repayments of the Principal Amount and interest thereon may be made without impeding future funding of the bankrupt estate and litigation.
- (e) In the event that the net proceeds from the litigation are less than \$10,000, no repayments of the Principal Amount or interest will be made, and the Holder will have no claims against the Trustee or the bankrupt estate for repayment.

Exhibit 2-6

- (f) In the event that the net proceeds of the litigation are less than the Total Loan Amount, the Trustee will make repayments to the Holders who advanced funds pro-rata to the actual amounts they advanced, and no interest will be payable.
- (g) Notwithstanding anything else herein, the Trustee, in its sole discretion, shall determine when and in what amounts, any portion of the Principal Amount is to be returned to the Holders; provided that any such repayment shall be made on a pro-rata basis in proportion to the funds contributed and remaining outstanding by each Holder.
- (h) The balance of the proceeds of the litigation after repayment of the Principal Amount and interest will be distributed by the Trustee in accordance with the provisions of the BIA.

**ARTICLE 4 – NOTICES**

**4.1 Notice to Trustee**

Any notice to the Trustee under the provisions of this Funding Note shall be in writing and shall be delivered by personal service, fax or by registered mail, or by e-mail to the Trustee at:

Hardie & Kelly Inc.  
110, 5800 – 2<sup>nd</sup> Street SW  
Calgary, AB  
T2H 0H2

Telephone: (403) 252.1766  
Fax: (403) 640.0591  
E-mail: mkelly@insolvency.net

The Trustee may from time to time notify the Holder in writing of a change of address, which thereafter, until changed by like notice, shall be the address of the Trustee for all purposes of this Funding Note.

**4.2 Notice to Holder**

All notices to the Holder with respect to this Funding Note shall be in writing and shall be delivered by personal service, fax or by registered mail, or by e-mail to the Holder at the last known address. The Holder may from time to time notify the Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Holder for all purposes of this Funding Note.

**4.3 Effective Date of Notices**

The time period in which a response to any notice must be given shall commence to run, in the case of notice sent by mail, from the date which is five days from the date of mailing and, in the case of a facsimile or e-mail, from the date of receipt noted on the message confirmation notice. Rejection or other refusal to accept or the inability to deliver because of changed address, e-mail address or facsimile number, of which no notice was given shall be deemed to be receipt of the notice. In the event of postal disruption, all notices under this Funding Note shall be sent by facsimile or e-mail.