

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. _____) *

Equidyne Corporation
(Name of Issuer)
Common Stock, Par Value \$0.10 Per Share
(Title of Class of Securities)
29442R105
(CUSIP Number)
Michael J. Smith MFC Bancorp Ltd. Floor 21, Millennium Tower, Handelskai 94-96, A-1200, Vienna, Austria Telephone (43-1) 240-25-102
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)
April 1, 2004
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of 240.13d-1(3), 240.13d-1(f) or 240.13d-1(g), check the following box. []

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 29442R105

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).
MFC BANCORP LTD.
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) <input checked="" type="checkbox"/> [X]
(b) <input type="checkbox"/> []
3. SEC Use Only
4. Source of Funds (See Instructions): OO
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e): []
6. Citizenship or Place of Organization: Yukon Territory, Canada

Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power 588,044 ^{(1),(2)}
	8. Shared Voting Power 0
	9. Sole Dispositive Power 588,044 ^{(1),(2)}
	10. Shared Dispositive Power 0
11. Aggregate Amount Beneficially Owned by Each Reporting Person 588,044 ^{(1),(2)}	
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) []	
13. Percent of Class Represented by Amount in Row (11) 3.8% ^{(1),(2)}	
14. Type of Reporting Person (See Instructions): CO	

⁽¹⁾ This number includes the shares held by Sutton Park International Limited, a corporation organized under the laws of Barbados, and wholly-owned by MFC Bancorp Ltd.

⁽²⁾ This number does not include shares that can be acquired by MFC Merchant Bank S.A., a bank organized under the laws of Switzerland, and wholly owned by MFC Bancorp Ltd., upon conversion of amounts under the Credit Facility Agreement (defined in Item 3 of this document) at a conversion price which is equal to the ten day average of the closing price of the Issuer stock. MFC Merchant Bank S.A. is not entitled to exercise rights that will cause it to own or control greater than 19.99% of the voting control of the Issuer until such time as the Issuer has received shareholder approval to do so.

CUSIP No. Not Applicable

1. Names of Reporting Persons.	
I.R.S. Identification Nos. of above persons (entities only).	
SUTTON PARK INTERNATIONAL LIMITED	
2. Check the Appropriate Box if a Member of a Group (See Instructions)	
(a) [X]	
(b) []	
3. SEC Use Only	
4. Source of Funds (See Instructions): OO	
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e): []	
6. Citizenship or Place of Organization: BARBADOS	
Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power 588,044
	8. Shared Voting Power 0
	9. Sole Dispositive Power 588,044
	10. Shared Dispositive Power 0
11. Aggregate Amount Beneficially Owned by Each Reporting Person 588,044	
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) []	
13. Percent of Class Represented by Amount in Row (11) 3.8%	
14. Type of Reporting Person (See Instructions): CO	

CUSIP No. Not Applicable

1. Names of Reporting Persons.	
I.R.S. Identification Nos. of above persons (entities only).	

MFC MERCHANT BANK S.A.	
2. Check the Appropriate Box if a Member of a Group (See Instructions)	
(a) <input checked="" type="checkbox"/> [X]	
(b) <input type="checkbox"/> []	
3. SEC Use Only	
4. Source of Funds (See Instructions): WC	
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e): <input type="checkbox"/> []	
6. Citizenship or Place of Organization: SWITZERLAND	
Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power See Note (1)
	8. Shared Voting Power 0
	9. Sole Dispositive Power See Note (1)
	10. Shared Dispositive Power 0
11. Aggregate Amount Beneficially Owned by Each Reporting Person See Note (1)	
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="checkbox"/> []	
13. Percent of Class Represented by Amount in Row (11) See Note (1)	
14. Type of Reporting Person (See Instructions): CO	

⁽¹⁾ This number does not include shares that can be acquired by MFC Merchant Bank S.A., a bank organized under the laws of Switzerland, and wholly owned by MFC Bancorp Ltd., upon conversion of amounts under the Credit Facility Agreement (defined in Item 3 of this document) at a conversion price which is equal to the ten day average of the closing price of the Issuer stock. MFC Merchant Bank S.A. is not entitled to exercise rights that will cause it to own or control greater than 19.99% of the voting control of the Issuer until such time as the Issuer has received shareholder approval to do so.

Item 1. Security And Issuer

This Statement relates to shares of common stock, par value \$0.10 per share (the "Shares") of Equidyne Corporation (the "Issuer").

The principal executive offices of the Issuer are located at 1620 - 400 Burrard Street, Vancouver, British Columbia, Canada V6C 3A6.

Item 2. Identity And Background

(a) This statement is filed on behalf of MFC Bancorp Ltd. ("MFC") and its wholly-owned subsidiaries, Sutton Park International Limited ("Sutton Park") and MFC Merchant Bank S.A. ("MFC Merchant Bank").

(b) MFC operates in the financial services segment and has an address at Floor 21, Millennium Tower, Handelskai 94-96, A-1200, Vienna, Austria. Sutton Park operates in the financial services segment and has an address at Palm Court, 28 Pine Road, Belleville, St. Michael, Barbados. MFC Merchant Bank operates in the financial services segment and has an address at Kasernenstrasse 1, 9100 Herisau AR, Switzerland.

(c) Not applicable.

(d) During the last five years, none of MFC, Sutton Park, MFC Merchant Bank or, to their knowledge, any of their respective officers or directors, have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five years, none of MFC, Sutton Park, MFC Merchant Bank or, to their knowledge, any of their respective officers or directors, have been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding were or are subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) MFC is organized under the laws of the Yukon Territory, Canada. Sutton Park is organized under the laws of Barbados. MFC Merchant Bank is organized under the laws of Switzerland.

Item 3. Source and Amount of Funds or Other Consideration

Pursuant to a credit facility agreement (the "Credit Facility Agreement") dated for reference April 1, 2004 between MFC Merchant Bank and the Issuer, MFC Merchant Bank will make available to the Issuer, subject to the terms and conditions of the Credit Facility Agreement, until March 31, 2009, a revolving credit facility in the principal amount of up to \$20,000,000 (the "Commitment") (the "Credit Facility").

Item 4. Purpose of Transaction

As part of MFC Merchant Bank's compensation for the services to be performed by it under the Credit Facility Agreement, MFC Merchant Bank may at any time and from time to time during the term of the Agreement convert the Commitment or any portion thereof of the Credit Facility to shares of common stock of the Issuer (the "Convertible Shares").

The rate of exchange for purposes of calculating the number of shares of Convertible Shares to be exchanged for the Commitment or a portion thereof should be as follows: (amount of Commitment to be converted) divided by (the ten day average of the closing price of the stock of the Issuer).

MFC Merchant Bank may convert the Commitment or any portion thereof by exercising the conversion of outstanding amounts on the Credit Facility or by advancing such amounts to the Issuer and then exercising such conversion rights. In the event that Issuer terminates the Credit Facility, MFC Merchant Bank shall have 60 days from the date of termination to exercise the conversion rights.

MFC Merchant Bank shall not be entitled to exercise rights that will cause MFC Merchant Bank to own or control greater than 19.99% of the voting control of the Issuer until such time as the Issuer has received shareholder approval to do so. The Issuer shall use its best efforts to secure the approval of this measure from its shareholders within 90 days of the Closing Date (as defined in the Credit Facility). Failure to secure such an approval shall be an event of default under the Credit Facility.

Item 5. Interest in Securities of the Issuer

MFC has the sole power to direct the vote of, and accordingly has beneficial ownership of 588,044 Shares registered in the name of Sutton Park (a wholly-owned subsidiary of MFC), representing approximately 3.764% of the Issuer's Shares. As a result of the Credit Facility Agreement, MFC Merchant Bank (a wholly-owned subsidiary of MFC) has rights to convert amounts under the Credit Facility into Shares, but is not entitled to exercise such rights that will cause MFC Merchant Bank to own or control greater than 19.99% of the voting control of the Issuer until such time as the Issuer has received shareholder approval to do so. As MFC Merchant Bank is a wholly-owned subsidiary of MFC, MFC has rights to indirect beneficial ownership of an additional, but no more than, 19.99% of the voting control of the Issuer.

To the knowledge of MFC, Sutton Park and MFC Merchant Bank, none of its directors or executive officers have any power to vote or dispose of any Shares of the Issuer, nor did they, MFC, Sutton Park or MFC Merchant Bank effect any transactions in such Shares during the past 60 days, except as disclosed herein.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Except as set forth above or set forth in the exhibits, there are no contracts, arrangements, understandings, or relationships between the reporting persons and any other person with respect to any securities of the Issuer.

Item 7. Material to Be Filed as Exhibits

A. Joint Filing Agreement

B. Credit Facility Agreement

Signature

After reasonable inquiry and to the best of the knowledge and belief of each of the undersigned, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

May 2, 2004

Date

MFC BANCORP LTD.

/s/ Michael J. Smith

Signature

Michael J. Smith, President

Name/Title

SUTTON PARK INTERNATIONAL LIMITED

/s/ Michael J. Smith

Signature

Michael J. Smith, President

Name/Title

MFC MERCHANT BANK S.A.

/s/ P. Hediger /s/ H. Hättenschwiler

Signature

P. Hediger, President H. Hättenschwiler, AVP

Name/Title

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative (other than an executive officer or general partner of the filing person), evidence of the representative's authority to sign on behalf of such person shall be filed with the statement: provided, however, that a power of attorney for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

Attention: intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001)

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INDEX OF EXHIBITS

Exhibit No. Description

A. Joint Filing Agreement

B. Credit Facility Agreement

JOINT FILING AGREEMENT

The undersigned agree that the foregoing Statement of Schedule 13D is being filed with the Securities and Exchange Commission on behalf of each of the undersigned pursuant to 240.13d-1(k).

May 2, 2004

Date

MFC BANCORP LTD.

/s/ Michael J. Smith

Signature

Michael J. Smith, President

Name/Title

SUTTON PARK INTERNATIONAL LIMITED

/s/ Michael J. Smith

Signature

Michael J. Smith, President

Name/Title

MFC MERCHANT BANK S.A.

/s/ P. Hediger /s/ H. Hättenschwiler

Signature

P. Hediger, President H. Hättenschwiler, AVP

Name/Title

CREDIT FACILITY AGREEMENT

CREDIT FACILITY AGREEMENT dated for reference the 1st day of April, 2004,

AMONG:

MFC MERCHANT BANK S.A., a bank organized under the laws of Switzerland (hereinafter, the "**Lender**")

AND:

EQUIDYNE CORPORATION, a corporation organized under the laws of the State of Delaware (hereinafter, the "**Borrower**")

NOW THEREFORE THIS AGREEMENT WITNESSES that the parties hereto agree as follows:

ARTICLE 1 - INTERPRETATION

Section 1.1. Definitions. When used in this agreement (including the recitals and schedules hereto) (this "**Agreement**") or in any amendment hereto, the terms listed in Schedule A hereto shall, unless otherwise expressly provided, have the meanings assigned to them therein.

ARTICLE 2 - THE CREDIT FACILITY

Section 2.1. Credit Facility. The Lender shall make available to the Borrower in accordance with, and subject to the terms and conditions of, this Agreement, until March 31, 2009 (the "**Maturity Date**"), a revolving credit facility in the principal amount of up to \$20,000,000 (the "**Commitment**") (the "**Credit Facility**") and made available to the Borrower by way of Advances in accordance with Section 2.2 hereof. The Maturity Date may be extended for an additional term of up to six months at the option of the Lender, which option is exercisable in the Lender's sole discretion.

Section 2.2. The Advances. On the terms and conditions set forth herein the Lender, from time to time, on any Banking Day, prior to the Maturity Date, agrees to make advances to the Borrower ("**Advances**"). Each Advance shall be in an aggregate amount of not less than \$50,000 and in integral multiples of \$10,000.

Section 2.3. Making the Advances. Each Advance shall be made on three Banking Days' notice. Each such notice shall be given by a borrowing notice in form satisfactory to the Lender (the "**Borrowing Notice**") which shall specify therein (i) the requested date of such Advance; (ii) the aggregate amount of such Advance; and (iii) the Outstanding Amount having given effect to such Advance.

Section 2.4. Use of Proceeds. The Borrower shall use all Advances to fund: (i) operating and acquisition activities; and (ii) working capital and general corporate activities.

Section 2.5. Unused Line Fee. The Borrower agrees to pay to the Lender an unused line fee (the "**Unused Line Fee**") of one-quarter of one percent (.25%) per annum on the daily average of the unused amount of the Commitment during the period commencing on the date of this Agreement and ending on the Maturity Date. The Unused Line Fee shall be payable monthly, in arrears, on the first day of each month and shall be calculated commencing April 1, 2004.

ARTICLE 3 - REPAYMENT

Section 3.1. Payments. The Borrower shall pay or repay to the Lender on the Maturity Date all amounts owing under the Credit Facility and not previously paid or repaid hereunder, without set-off, counterclaim or deduction, unless, in the case of set-off, such set-off is specifically acknowledged in writing by the Lender.

Section 3.2. Interest on Advances. The Borrower shall pay to the Lender on the first Banking Day of each calendar month (the "**Interest Payment Dates**"), the first such date falling on May 1, 2004, Interest on the unpaid principal amount of each Advance made to it from the date of such Advance in U.S. Dollars, until such principal amount shall be repaid in full, at the Interest Rate. Interest shall accrue from day to day and shall be compounded monthly in arrears.

Section 3.3. Fees. Provided the Lender is prepared to make Advances to the Borrower up to the amount set forth in Section 2.1 hereof, the Borrower shall pay the Lender on the Closing Date an arrangement fee equal to \$400,000 (the "**Arrangement Fee**"), whether or not any Advances are made under this Agreement; provided that the parties hereto may agree in writing to include the Arrangement Fee as an Outstanding Amount, with Interest to be paid thereon in accordance with Section 3.2 hereof and to be repaid in accordance with Section 3.1 hereof.

Section 3.4. Borrower's Right to Prepay the Loan. The Borrower may, on ten Banking Days' prior notice given to the Lender, prepay the outstanding aggregate principal amount of the Advances made to the Borrower under the Credit Facility, in whole or in part, together with accrued interest to the date of such prepayment on the amount prepaid. Each prepayment shall be in a principal amount of not less than \$50,000 and in integral multiples of \$10,000 thereafter.

ARTICLE 4 - SECURITY

Section 4.1. Security. As general and continuing security for the performance of all Obligations of the Borrower under the Credit Facility Documents, the Borrower shall deliver to the Lender, in form and substance satisfactory to the Lender:

(a) on or prior to the Closing Date, a pledge agreement in the aggregate principal amount of \$20,000,000.00, which agreement shall pledge all existing and future pecuniary claims of the Borrower against third parties; and

(b) promissory note in the aggregate principal amount of \$20,000,000.00 (the "Note") duly created by the Borrower in favor of the Lender, which Note shall contain a first fixed and specific charge and security interest on the interest of the Borrower in and to all of its property, assets and undertakings and a floating charge on the interest of the Borrower in and to all of its other property, assets and undertakings not otherwise specifically mortgaged and charged under the Note,

Section 4.2. Continued Perfection and Agreed Releases of Security. Borrower shall take such action and execute and deliver to the Lender such agreements, conveyances, deeds and other documents and instruments as the Lender shall reasonably request for the purpose of establishing, perfecting, preserving and protecting the Security, in each case forthwith upon request therefor by the Lender and in form and substance reasonably satisfactory to the Lender.

ARTICLE 5 - CONDITIONS PRECEDENT TO THE ADVANCES

Section 5.1. Conditions Precedent to the initial Advance. The obligation of the Lender to make its initial Advance is subject to the fulfillment of: (i) the conditions precedent set forth in Section 5.2; and (ii) the following conditions precedent:

(a) the Lender shall have received, in a form satisfactory to it: (i) copies certified by a senior officer of the Borrower of its Charter Documents, the resolutions of its board of directors approving the Credit Facility Documents to which it is a party and all documents evidencing any necessary corporate action of the Borrower with respect to the Credit Facility Documents to which it is a party; (ii) a certificate of good standing for the Borrower; and (iii) a favorable opinion of Borrower's counsel as to such matters as the Lender may require;

(b) the Credit Facility Documents other than the Guarantee shall have been executed and delivered to the Lender, the Security shall have been created, and all registrations, filings or recordings necessary or desirable to preserve, protect or perfect the enforceability and priority of such Security shall have been completed, all in such form, content and manner as is satisfactory to the Lender;

(c) all of the representations and warranties of the Borrower contained in Article 6 hereof shall be true and correct on and as of the Closing Date as though made on and as of such date; and (d) the Lender shall have received such other documents as it may reasonably request.

Section 5.2. Conditions Precedent to All Advances. The obligation of the Lender to make an Advance and the right of the Borrower to deliver a Borrowing Notice shall be subject to the condition precedent that on the date of such Advance and after giving effect thereto and to the application of proceeds therefrom: (i) the representations and warranties of the Borrower contained in Article 6 hereof are true and correct on the date of the Advance as if made on and as at such date; (ii) no event has occurred and is continuing, or would result from such Advance, which constitutes or would, with the giving of notice or the passage of time, constitute an Event of Default; (iii) such Advance will not violate any applicable Law; (iv) there have been no amendments to the Charter Documents or authorizing resolutions of the Borrower, subsequent to those delivered to the Lender pursuant to Section 5.1(a), which are material to the ability of the Borrower to enter into this Agreement and any of the other Credit Facility Documents to which the Borrower is a party and to perform its obligations hereunder and thereunder; and (v) the Lender shall have received, if requested, such other certificates and documentation as it may reasonably request with respect to the foregoing and opinions from Borrower's counsel updating opinions previously delivered.

ARTICLE 6 - REPRESENTATIONS AND WARRANTIES

Section 6.1. Representations and Warranties. The Borrower represents and warrants to the Lender as outlined in Schedule B hereto.

ARTICLE 7 - COVENANTS OF THE BORROWER

Section 7.1. Affirmative Covenants. Until the Obligations are paid and satisfied in full and this Agreement has been terminated, the Borrower shall (or, if applicable, shall cause the relevant action to take place):

(a) **Financial Reporting.** Deliver to the Lender as soon as available and in any case within 45 days or 90 days after the end of each financial quarter or year, respectively, quarterly and audited annual financial statements of the Borrower, prepared in accordance with generally accepted accounting principles and certified by a senior officer of the Borrower as being true and correct in all material respects;

(b) **Corporate Existence.** Preserve and maintain in full force and effect its corporate existence and all qualifications to carry on the Borrower's business;

(c) **Compliance with Laws, etc.** Comply with all applicable Laws, non-compliance with which could have a Material Adverse Effect;

(d) **Payment of Taxes and Claims.** Pay and discharge before the same shall become delinquent: (i) all Taxes, assessments and Official Body charges or levies; and (ii) all lawful claims which, if unpaid, might become a Lien upon or in respect of its business or the Borrower's assets or properties;

(e) **Visitation, Inspection, etc.** Permit the Lender or any representative thereof on reasonable notice to visit and inspect the Borrower's business, to examine the Borrower's records and make copies and take extracts therefrom, and to discuss the Borrower's affairs, finances and accounts with the officers of the Borrower at such reasonable times during normal office hours and as often as may be reasonably requested;

(f) **Notice of Default.** Promptly notify the Lender in writing of any default or Event of Default or any default, or event, condition or occurrence which with notice or lapse of time, or both, would constitute a default, under any agreement;

(g) **Maintain Title.** Maintain and, as soon as reasonably practicable, defend and take, all action necessary or advisable at any time, and from time to time, to maintain, defend, exercise or renew its right, title and interest in and to all of its property and assets;

(h) **Pay Obligations to Lender and Perform Other Covenants.** Make full and timely payment of its obligations hereunder and duly comply with the terms and covenants contained in each of the Credit Facility Documents, all at the times and places and in the manner set forth therein, and at all times take all action necessary to maintain the Liens provided for under or pursuant to this Agreement and the Security Documents as valid and perfected first Liens on the property intended to be covered thereby (subject only to Permitted Encumbrances);

(i) **Notices of Official Body Action.** Promptly notify the Lender in writing of any notice of any action by any Official Body or any action, suit, proceeding or investigation (or any basis therefor) pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower before any Official Body, where the amount involved exceeds \$50,000 or the equivalent amount in another currency;

(j) **Note.** Execute and deliver to the Lender the Note contemplated in Section 4. 1 (b) hereof at or prior to the time of Closing; and

(k) **Further Assurances.** At its cost and expense, upon request by the Lender, duly execute and deliver, or cause to be duly executed and delivered, to the Lender, such further instruments and do and cause to be done such other acts as may be necessary or proper in the reasonable opinion of the Lender to carry out more effectually the provisions and purposes of this Agreement and the other Credit Facility Documents.

Section 7.2. Negative Covenants. Until the Obligations are paid and satisfied in full and this Agreement has been terminated, the Borrower shall not (or, if applicable, shall not permit the relevant action to take place), unless the Lender otherwise consents in accordance with the provisions of this Agreement:

(a) **Liens.** Create, incur, assume or suffer to exist any Lien on any of its property or assets now owned or hereafter acquired other than the Liens created prior to the entering into of this Agreement or Liens created by the Security and any Permitted Encumbrances;

(b) **Debt.** Create, incur, assume or suffer to exist, contingently or otherwise, any Debt other than Debt created prior to the entering into of this Agreement or Debt created by this Agreement;

(c) **Change in Nature of Business.** Make or permit to exist any change, condition, event or occurrence in or with respect to the nature of its business which when taken individually with all other changes, conditions, events or occurrences could reasonably be expected to have a Material Adverse Effect;

(d) **Mergers, etc.** Enter into or agree to enter into any transaction or series of related transactions (whether by way of reconstruction, reorganization, consolidation, combination, amalgamation, merger, transfer, sale, lease, modification or

otherwise), whereby: (i) all or substantially all of the Borrower's undertaking, property or assets will become the property of any other person or the continuing corporation resulting therefrom; (ii) there would be permitted any change in the direct or indirect Control of the Borrower; or (iii) the corporate structure of the Borrower would be modified, changed, altered or amended in any manner;

(e) **Distributions.** Prior to payment in full of all Obligations hereunder, make any payment on account of a redemption or a distribution or return of capital (including, without limitation, cash dividends or any repayment of shareholder loans or distributions) to any shareholder or holder of securities;

(f) **Use of Proceeds.** Use the proceeds of any Advance made available to the Borrower hereunder for repayment of any shareholder loans or short-term loans or redemption of any shareholder capital without the prior written consent of the Lender;

(g) **Subsidiaries.** Create any Subsidiaries or transfer and/or assign any assets or operations to any Subsidiaries; and

(h) **Agreements with Related Parties.** Enter into any agreement or arrangement with any person with whom the Borrower does not deal at arm's-length, including any affiliate thereof.

Section 7.3. Rights. As part of the Lender's compensation for the services to be performed by it under this Agreement, the Lender may at any time and from time to time during the term of the Agreement convert the Commitment or any portion thereof of the Credit Facility to shares of common stock of the Borrower (the "**Convertible Shares**").

The rate of exchange for purposes of calculating the number of shares of Convertible Shares to be exchanged for the Commitment or a portion thereof should be as follows:

$$\frac{\text{amount of Commitment to be converted}}{\text{divided by}} \\ \text{the 10 day average of the closing price of the Borrower's stock}$$

Notwithstanding anything herein to the contrary, the Lender may convert the Commitment or any portion thereof by exercising the conversion of outstanding amounts on the Credit Facility or by advancing such amounts to the Borrower and then exercising such conversion rights. In the event that the Borrower terminates this Credit Facility, the Lender shall have 60 days from the date of termination to exercise these conversion rights. Notwithstanding anything herein to the contrary, the Lender shall not be entitled to exercise rights that will cause the Lender to own or control greater than 19.99% of the voting control of the Borrower until such time as the Borrower has received shareholder approval to do so. The Borrower shall use its best efforts to secure the approval of this measure from its shareholders within 90 days of the Closing Date. Failure to secure such an approval shall be an Event of Default hereunder.

ARTICLE 8 --- EVENTS OF DEFAULT

Section 8.1. Events of Default. An event of default ("**Event of Default**") shall have occurred and be continuing in respect of the Borrower if:

(a) **Failure to Make Payments.** The Borrower shall fail to pay any principal, Interest, fees or other amounts hereunder when the same becomes due and payable and in the case of Interest, fees and other amounts, the failure shall remain unremedied for a period of three (3) Banking Days following notice from the Lender to the Borrower;

(b) **Representations and Warranties Incorrect.** Any representation or warranty made by the Borrower or the Guarantor herein or in any other Credit Facility Document or any representation, warranty or certification made by the Borrower or the Guarantor (or any of their officers) in any certificate or other writing delivered in connection with any of the Credit Facility Documents, or any representation or warranty deemed to be made by the Borrower or the Guarantor provided herein or therein, shall prove to have been incorrect in any material respect when made or deemed to be made;

(c) **Failure to Perform Negative Covenants.** The Borrower shall fail to observe any of the negative covenants or financial covenants contained in the Credit Facility Documents including, without limitation, in Section 7.2;

(d) **Failure to Perform Other Covenants.** The Borrower shall fail to perform or observe any other term, covenant or agreement contained in any of the Credit Facility Documents and such failure shall remain unremedied for 15 days;

(e) **Failure to Pay Debts to Third Parties.** The Borrower shall fail to pay the principal of or premium or interest on any Debt which is outstanding in an aggregate principal amount in excess of \$50,000 (or the equivalent amount in any other currency) when the same becomes due and payable and such failure shall remain unremedied for a period of five Banking Days;

(f) **Event of Bankruptcy.** The Borrower shall commit or permit to exist any Event of Bankruptcy in respect of the Borrower;

(g) **Judgments.** Any judgment or order for the payment of money in excess of \$50,000 (or the equivalent amount in any other currency) in respect of the Borrower shall be rendered against the Borrower and enforcement proceedings shall have been commenced by any creditor upon such judgment or order and not stayed within 10 days;

(h) **Unenforceability.** This Agreement or any Credit Facility Document shall, at any time after execution and delivery, and for any reason (other than in accordance with the respective terms), cease to be in full force and effect or shall be declared to be null and void, or the validity or enforceability of any thereof shall be contested by the Borrower or any other party thereto, or the Borrower or any other such party shall deny that it has any further liability or obligation thereunder;

(i) **Challenge to Security.** Any of the Security shall at any time after the execution and delivery of the relevant Security Document and for any reason cease to constitute a valid and subsisting Lien (subject only to Permitted Encumbrances) in respect of the assets and properties referred to therein or cease to rank in priority or in the matter contemplated herein other than by reason of the act or omission of the Lender;

(j) **Material Adverse Effect.** There occurs any change, condition, event or occurrence which, when considered individually or together with all other changes, conditions, events or occurrences could reasonably be expected to have a Material Adverse Effect; and

- A. Change of Control or Threatened Change of Control of the Board of Directors of the Borrower.** There occurs the change of control or threatened change of control in the total voting power of the Board of Directors of the Borrower such that the current Board does not continue in at least 51% of the voting power of the entire Board. For purposes of this section "change of control or threatened change of control" shall include but not be limited to a proxy contest or take out bid relating to the removal or dilution of the current Board of Directors of the Borrower below such voting power.
- B. Failure to Secure Shareholder Approval.** The failure of the Borrower to secure the approval of the shareholders to permit the conversion of this Credit Facility into the Conversion Shares.

ARTICLE 9 - TERMINATION

Section 9.1. Termination by Lender in case of Default. If an Event of Default occurs, the Lender may, by notice to the Borrower, at Lenders entire discretion, either (a) require the Borrower immediately to repay all amounts owed under the Credit Facility and not previously paid or repaid hereunder, including, but not limited to the Unused Line Fee according to Section 2.5., whereupon they shall become immediately due and payable; or (b) place the Credit Facility on demand, whereupon the Loan together with accrued interest and all other sums payable under this Agreement shall become repayable immediately on demand made by the Lender. Delay in exercising or non-exercise of any such right is not a waiver of that right. At any time, Lender shall maintain its rights under Section 7.3.

Section 9.2. Termination by the Borrower. The Borrower may at anytime terminate the Loan Facility, by giving three (3) month prior notice to the Lender and by subsequently repaying all amounts owed under the Credit Facility and not previously paid or repaid hereunder, including, but not limited to the Unused Line Fee according to Section 2.5., to the Lender according to Section 3.4. above. During the termination period, Lender shall maintain its rights under Section 7.3.

Section 9.3. Fees. The termination for any reason and at any time shall not influence Borrowers duty to pay the fees due under the present Agreement, including, but not limited to the Arrangement Fee according to Section 3.3. and the Unused Line Fee according to Section 2.5 until the Maturity Date. All fees shall become due and payable immediately upon notification of the termination.

ARTICLE 10 - MISCELLANEOUS

Section 10.1. Notices, etc. Except as otherwise expressly provided herein, all notices, requests, demands, directions and communications by one party to the other shall be sent by hand delivery or registered mail, and shall be effective when hand delivered or when delivered by the relevant postal service, as the case may be. All such notices shall be addressed to the President of the notified party at its address given on the signature page of this Agreement, or in accordance with any unrevoked written direction from such party to the other party in accordance with this Section 9.1.

Section 10.2. Reimbursement for Certain Expenses and Charges. (1) The Borrower shall pay or cause to be paid and shall indemnify and save the Lender harmless against liability for the payment of all reasonable out-of-pocket expenses, including without limitation counsel or compliance review fees and expenses and disbursements incurred by the Lender in connection with, among other things, the preparation or review of documentation pursuant to this Agreement, on-site inspections by the Lender or the enforcement or preservation of rights under this Agreement or the other Credit Facility Documents or any agreement or instrument contemplated hereby or thereby, including such expenses as may be incurred by the Lender in the collection of the Obligations or any litigation, proceeding or dispute in any way relating to the Obligations or the Credit Facility Documents or in connection with remittances, bank charges, wire charges or the customary charges by the Lender for banking services.

(2) The parties hereto may agree in writing to include any expenses as an Outstanding Amount, with Interest to be paid thereon in accordance with Section 3.2 hereof and to be repaid in accordance with Section 3.1 hereof.

Section 10.3. No Waiver; Remedies. No failure on the part of the Lender or the Borrower to exercise, and no delay in exercising, any right under any of the Credit Facility Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right under any of the Credit Facility Documents preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by Law.

Section 10.4. Taxes, Costs, etc. All payments by the Borrower under this Agreement and the other Credit Facility Documents, including but not limited to those contemplated in Section 9.2 hereof, shall be made free and clear of, and without deduction or withholding for, Taxes unless such Taxes are required by Law to be deducted or withheld. If the Borrower shall be required by Law to deduct or withhold any Taxes from or in respect of any sum payable under this Agreement or the other Credit Facility Documents: (i) the sum payable shall be increased as may be necessary so that after making all required deductions or withholdings applicable to additional amounts paid under this Section 9.4, the Lender receives an amount equal to the sum it would have received if no deduction or withholding had been made; (ii) the Borrower shall make such deductions or withholdings; and (iii) the Borrower shall pay the full amount deducted or withheld to the relevant taxation authority or other authority in accordance with applicable Law.

Section 10.5. Right of Set-Off. Upon the occurrence and during the continuance of any Event of Default, the Lender shall have the right, to the fullest extent permitted by Law, to set off and apply any and all deposits at any time held and other indebtedness at any time owing by the Lender to or for the credit or the account of the Borrower, against any and all of the obligations of the Borrower now or hereafter existing under any of the Credit Facility Documents.

Section 10.6. Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from U.S. Dollars (the "**Original Currency**") into the Judgment Currency, the parties hereto agree that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the Banking Day preceding that on which final judgment is paid or satisfied.

Section 10.7. Governing Law. The Credit Facility Documents shall be governed by, and construed in accordance with, the laws of Switzerland and shall be treated in all respects as Swiss contracts without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

Section 10.8. Consent to Jurisdiction. (1) Each of the parties hereby irrevocably attorns to the non-exclusive jurisdiction of the Courts of Zurich (Switzerland) in any action or proceeding arising out of or relating to this Agreement, or any other Credit Facility Document. The Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law; and (2) nothing in this Section 9.8 shall affect the right of the Lender to serve legal process in any other manner permitted by Law or affect the right of the Lender to bring any action or proceeding against the Borrower or its property in the courts of other jurisdictions.

Section 10.9. English Version. The parties hereby represent, warrant, acknowledge and agree that: (i) they have agreed that this Agreement be drawn up in the English language; and (ii) the English version of this Agreement shall govern for all purposes.

Section 10.10. Successors and Assigns. The Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lender, which consent may be arbitrarily withheld.

Section 10.11. Severability. If one or more provisions of this Agreement and/or a Security Document be or become invalid, or unenforceable in whole or in part in any jurisdiction, the validity of the remaining provisions of this Agreement and/or a Security Document shall not be affected. The parties hereto undertake to replace any such invalid provision without delay with a valid provision which as nearly as possible duplicates the economic intent of the invalid provision.

Section 10.12. Counterparts. This Agreement may be executed in counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.

Section 10.13. Syndication/Participation. The Lender may sell, transfer, assign, participate, syndicate or negotiate to one or more third parties, in whole or in part, the Commitment and its rights under this Credit Facility Agreement all without the prior consent of the Borrower.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE LENDER

MFC MERCHANT BANK S.A.

Per: /s/ signed

Authorized Signing Officer

Per: /s/ signed

Authorized Signing Officer

THE BORROWER

EQUIDYNE CORPORATION

Per: /s/ signed

Authorized Signing Officer

Per: /s/ signed

Authorized Signing Officer

SCHEDULE A

DEFINITIONS

"Banking Day" shall mean any day other than a Saturday, Sunday, public holiday under the laws of the State of New York or other day on which banking institutions are authorized or obligated to close in New York, New York.

"BBA Libor" means the one month London Inter-Bank Offered Rate fixed daily by the BBA;

"Charter Documents" means constating documents and by-laws, and all amendments thereto;

"Closing Date" means two Banking Days following satisfaction by the Borrower or waiver by the Lender of all conditions to Advance set out in the Credit Documents or such other date as may be agreed upon by the parties;

"Consent" means any permit, license, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation;

"Control" over a person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities or other equity interest, representation on its board of directors or body performing similar functions, by contract or otherwise. The terms **"Controlling"** and **"Controlled"** will have corollary meanings;

"Credit Facility Documents" means this Agreement, the Security Documents and the Information Documents and all other documents to be executed and delivered to the Lender or by the Borrower or the Guarantor thereunder;

"Debt" of any person means: (i) all indebtedness of such person for and in respect of borrowed money, including obligations with respect to bankers' acceptances, letters of credit and letters of guarantee; (ii) all indebtedness of such person for the deferred purchase price of property or services represented by a note or other evidence of indebtedness or other security; (iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person (even though the rights or remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (iv) all obligations under leases which, in accordance with GAAP (or accounting principles generally accepted in the jurisdiction of incorporation or organization of such person), are recorded as capital leases in respect of which such person is liable as lessee; (v) the aggregate amount at which any shares in the capital of such person which are redeemable or retractable at the option of the holder thereof may be retracted or redeemed; and (vi) all Debt Guaranteed by such person; provided that obligations related to any grant or subsidy which is to be reimbursed on a revenue or profit success basis are not considered Debt under this definition;

"Dollar" or **"\$"** means the currency of the United States of America.

"Event of Bankruptcy" means, in respect of any person, that such person shall generally not pay its Debts as such Debts become due, or shall admit in writing its inability to pay its Debts generally as they become due, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against any such person seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding-up, a reorganization, arrangement, adjustment, protection, relief or a composition of it or its Debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or for the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against such person (but not instituted by such person), either such proceeding shall remain undismissed or unstayed for a period of 30 days or

any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against such person or for the appointment of a receiver, trustee, custodian or other similar official for such person or for any substantial part of its property) shall occur; or such person shall take any action to authorize any of the actions set forth above;

"Information Documents" means, collectively, at any time and in any form, information provided by the Borrower or on behalf of the Borrower, or by the Guarantor or on behalf of the Guarantor, to the Lender in writing in respect of the Borrower's business or the Guarantor's business, including, without limitation, all certificates, the financial statements of the Borrower or the Guarantor and all materials reasonably requested by the Lender for the purpose, inter alia, of providing such information to prospective assignees, all as from time to time amended, supplemented or replaced;

"Interest" means the interest accrued on Advances outstanding from time to time at the Interest Rate compounded monthly not in advance, and payable, in arrears, on the Interest Payment Dates;

"Interest Periods" means, collectively, periods of one month, each subsequent period commencing upon the expiry of the prior period, and **"Interest Period"** means any one such period. Interest shall be calculated on the basis of a year of 360 days and the actual number of days (including the first day but excluding the last day) occurring in the period for which such Interest is payable;

"Interest Rate" means, at any time, Libor plus 3.5% per annum. With each successive Interest Period the Libor shall be reset on the second Banking Day prior to the commencement of the Interest Period and there shall be a corresponding change in the rate of interest payable under this Agreement without the necessity of prior notice thereof to the Borrower or any other person;

"Judgment Currency" means the currency in which a court of competent jurisdiction may render judgment in connection with any litigation relating to the repayment of any amounts under this Agreement; **"Law"** means any law (including common law and equity), constitution, statute, order, treaty, regulation, rule, ordinance, order, injunction, writ, judgment, determination, decree or award of any Official Body;

"Libor" means BBA Libor or, if no such published rate is then available, the rate of interest calculated by the Lender, as being the arithmetic average (rounded up, if necessary, to the nearest full multiple of 1/16 of one percent) at which, in accordance with its normal practice, it would be prepared to offer to leading banks in the London interbank market for delivery on the first day of the particular Interest Period and for a period equal to such Interest Period based on the number of days comprised therein, deposits in U.S. Dollars of amounts comparable to the Principal Sum or the balance outstanding thereof during such Interest Period, at or prior to 11:00 a.m. London, England, local time on the second Banking Day prior to an Advance and thereafter on the second Banking Day prior to the commencement of each subsequent Interest Period;

"Lien" means any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon the fulfillment of any condition as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claim satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or later acquired;

"Material Adverse Effect" means: (i) a material adverse effect on the property or assets of the Borrower and its Subsidiaries taken as a whole; (ii) a material adverse effect on the condition or prospects, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole; (iii) a material adverse effect on the ability of the Borrower to perform and comply with this Agreement or to pay or perform any of the Obligations; (iv) a material adverse effect on the priority, effectiveness or enforceability of the Security; or (v) a material adverse effect on the condition or prospects, financial or otherwise, of the Borrower;

"Obligations" means all obligations, liabilities and indebtedness of the Borrower to the Lender with respect to the principal of and Interest on Advances and the payment or performance of all other obligations, liabilities and indebtedness of the Borrower to the Lender under this Agreement or arising under and pursuant to any one or more of the Credit Facility Documents or with respect to the Advances and all fees, costs, expenses and indemnity obligations thereunder;

"Official Body" means any government or political subdivision or any agency (including, without limitation, any licensing or regulatory agency), body, office, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, board, tribunal, grand jury or arbitrator, commission or instrumentality thereof, whether foreign or domestic and, when used in the context of a particular person having jurisdiction over such person;

"Outstanding Amount" means, in respect of the Credit Facility, on any day, an amount calculated and expressed in U.S. Dollars equal to the aggregate principal amount of all Advances made by the Lender under the Credit Facility;

"Permitted Encumbrances" means, in respect of the Borrower, from time to time, any Lien not intentionally created by the Borrower and covering an asset which the Lender determines (acting reasonably) not to be required for or integral to the operation of the business of the Borrower or the effectiveness or value of the Security, and in respect of which Lien either (i) the same is discharged or (ii) the Borrower provides the Lender such substituted security as the Lender shall consider satisfactory, in either (i) or (ii) above within 15 days of written notice from the Lender to the Borrower;

"Security Documents" means the documents referred to in Section 4.1 of this Agreement and the agreements, instruments and documents delivered from time to time to the Lender by the Borrower, the Guarantor or any other person, for the purpose of establishing, perfecting, preserving and protecting the Security; and

"Security Document" means any one of them as the context prescribes or requires;

"Subsidiary" means, at any time, as to any person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at such time directly or indirectly owned by such a person; and **"Taxes"** means any and all present or future taxes (including, without limitation, all stamp, documentary, excise or property taxes), levies, imposts, deductions, charges or withholdings and liabilities with respect thereto.

SCHEDULE B

REPRESENTATIONS AND WARRANTIES OF THE BORROWER

(a) **Organization and Corporate Power.** The Borrower has been duly incorporated and organized and is validly subsisting and in good standing under the laws of its jurisdiction and has full corporate right, power and authority to enter into and perform its obligations under each of the Credit Facility Documents to which it is or shall be a party and has full corporate right, power and authority to own and operate its properties and to carry on its business;

(b) **Conflict with Other Instruments.** The execution and delivery by the Borrower of each of the Credit Facility Documents and the performance by the Borrower of its obligations thereunder, including, without limitation, the performance of the terms of the Security Documents, do not and will not: (i) conflict with or result in a breach of any of the terms, conditions or provisions of: (A) the Charter Documents of the Borrower; (B) any Law applicable to or binding on the Borrower; or (C) any contractual restriction binding on or affecting the borrower or its properties the breach of which would have a Material Adverse Effect; or (ii) result in, or require or permit: (A) the imposition of any Lien on or with respect to the properties now owned or hereafter acquired by the Borrower; or (B) the acceleration of the maturity of any Debt of the Borrower, under any contractual provision binding on or affecting the Borrower;

(c) **Consents, Official Body Approvals.** The execution and delivery of each of the Credit Facility Documents and the performance by the Borrower of its obligations thereunder have been duly authorized by all necessary action on the part of the Borrower, and no Consent under any applicable Law and no registration, qualification, designation, declaration or filing with any Official Body having jurisdiction over the Borrower is or was necessary therefor. The Borrower possesses all Consents, in full force and effect, under any applicable Law which are necessary in connection with the operation of its business, the non-possession of which could reasonably be expected to have a Material Adverse Effect;

(d) **Execution of Binding Obligation.** The Agreement has been duly executed and delivered by the Borrower, and the Agreement constitutes, and the remaining Credit Facility Documents when duly executed by the Borrower pursuant to the Agreement and delivered for value will constitute, legal, valid and binding obligations of the Borrower, enforceable against it in accordance with their respective terms;

(e) **No Litigation.** There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, after due inquiry, threatened against or affecting the Borrower (nor, to the knowledge of the Borrower, after due inquiry, any basis therefor) before any Official Body having jurisdiction over the Borrower which purport to or do challenge the validity or propriety of the transactions contemplated by the Credit Facility Documents or the documents, instruments or agreements executed and delivered in connection therewith or related thereto, which if adversely determined could reasonably be expected to have a Material Adverse Effect;

(f) **No Defaults.** The Borrower is not in breach of or in default under, in any respect: (i) its Charter Documents; (ii) any applicable Law; (iii) any contract or agreement binding on or affecting it or its property or assets (including, without limitation, the Credit Facility Documents); (iv) any material indenture, mortgage, deed of trust; or (v) any writ, judgment, determination or award binding on it or affecting it where such breach or defect could, in the case of (ii), (iii), (iv) or (v) above, have a Material Adverse Effect;

(g) **Information Documents.** The information contained in the Information Documents is true and accurate in all material respects and does not contain any untrue statement of a material fact. The Information Documents do not omit to state any fact necessary in order to make any of the information contained in the Information Documents not misleading in all material respects;

(h) **Material Changes.** No changes occurred or are continuing in respect of the financial condition of the Borrower from that set out in the most recently delivered financial statements of the Borrower which could have a Material Adverse Effect; and no Law, regulation, rule or policy, or any change therein, has been enacted or proposed prior to the Closing Date which may have a Material Adverse Effect;

(i) **Title to Assets.** The Borrower has good and marketable title to all of its properties and assets, and the Security will constitute a first charge on the legal and beneficial interests of the Borrower in and to all such properties and assets, subject only to such Liens as are described in Section 7.2(a) of the Agreement and the Permitted Encumbrances;

(j) **Absence of Changes.** Since the date of the most recently delivered financial statements of the Borrower, the Borrower has carried on its business, operations and affairs only in the ordinary -and normal course consistent with past practice; and